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THE

*To the Librarian
Sept. 22, 1892*

Contraction of the Currency.

AN ARGUMENT:

FOUNDED ON FIGURES AND QUOTATIONS FROM OFFICIAL REPORTS, AND
PROVING THAT THE CIRCULATING MEDIUM OF THE COUNTRY
HAS NOT BEEN MATERIALLY DIMINISHED SINCE 1863.

By C. K. BACKUS,

EDITOR OF DETROIT POST AND TRIBUNE.

ALSO,

AN ABSTRACT OF THE LAWS OF THE UNITED STATES, RELATING TO
LOANS AND BONDS, ENACTED SINCE 1861.

COMPILED FOR THE

HONEST MONEY LEAGUE,

OF THE NORTHWEST.

CHICAGO, ILL.

PUBLISHED BY THE HONEST MONEY LEAGUE OF THE NORTHWEST.
1878.

PAPER MONEY.

Opinions of Eminent Men Opposed to an Irredeemable Currency.

"A return to specie payments at the earliest period compatible with due regard to all interests concerned, should ever be kept in view. Fluctuations in the value of currency are always injurious, and to reduce these fluctuations to the lowest possible point will always be a leading purpose in wise legislation. *Convertibility, prompt and certain convertibility into coin is acknowledged to be the best and surest safeguard against them.*"—ABRAHAM LINCOLN, *Annual Message*, Dec., 1862.

"Such a medium (paper money) has been always liable to fluctuation. Its value is continually changing; and these changes, often great and sudden, expose individuals to immense loss, are the source of ruinous speculations, and destroy all confidence between man and man."—CHIEF JUSTICE MARSHALL, *U. S. Supreme Court decision*.

"The Secretary recommends no mere paper money scheme; but on the contrary, a series of measures looking to a safe and gradual return to gold and silver as the *only* permanent basis, standard and measure of value recognized in the Constitution."—SALMON P. CHASE, *Annual Report as Secretary of the Treasury*, 1862.

"The loss which America has sustained, since the peace, from the pestilent effects of paper money, on the necessary confidence between man and man, on the necessary confidence in the public councils, on the industry and morals of the people, and on the character of Republican government, constitutes an enormous debt against the States chargeable with this unadvised measure, which must long remain unsatisfied, or rather it is an accumulation of guilt which can be expiated no otherwise than by a voluntary sacrifice on the altar of justice of the power which has been the instrument of it."—JAMES MADISON, *in the Federalist*.

"Paper emissions by the government are of a nature so liable to abuse, I may say so certain to be abused, that the wisdom of the government will be shown by never trusting itself with so seducing and dangerous a power."—ALEXANDER HAMILTON—*Report when Secretary of Treasury*.

"Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. It is the most effectual of inventions for fertilizing the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation bear lightly on the masses of community, compared with fraudulent currencies and the robberies committed by depreciated paper money."

"We have suffered more from this cause than from any other cause or calamity. It has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice than even the arms and artifices of our enemy."—DANIEL WEBSTER.

"Surely we must all be against paper money. * * * *We must all set our faces against any proposition like the present, except as a temporary expedient, rendered imperative by the exigency of the hour.* * * * Reluctantly, painfully, I consent that the process should issue. And yet I cannot give such a vote without warning the government against the dangers from such an experiment. The medicine of the constitution must not become its daily bread."—CHARLES SUMNER, *in the debate on the issue of the first legal tender notes*.

"The Committee thought an assurance should be given to the country, if this bill becomes a law, that it is not to be resorted to as a policy; that it was what it pretends to be, *but a temporary measure*. The opinions of the Secretary of the Treasury (Mr. Chase) are perfectly well known. He has declared that, in his judgment, it is, and ought to be, *but a temporary measure*. * * * And all the gentlemen who have written on the subject, except some wild speculators in currency, have declared that as a policy it would be ruinous to any people. * * * A stronger objection than all that I have urged, is that the loss must fall most heavily upon the poor."—WM. P. FESSENDEN, *Chairman Senate Finance Committee, in debate on Legal Tender Act*.

"No one would willingly issue paper currency not redeemable on demand, and make it a legal tender. *It is never desirable* to depart from the circulating medium which, by the common consent of civilized nations, forms the standard of value."—THADEUS STEVENS, *Chairman Ways and Means Com., in debate on legal Tender Act*.

"There is no precipice, there is no chasm, no possible yawning gulf, before this nation so terrible, so appalling, so ruinous, as this same bill that is before us."—OWEN LOVEJOY, *in debate on Legal Tender Act*.

"The evils produced by a bad state of the currency, are not such as have generally been thought worthy to occupy a prominent place in history; yet it may well be doubted whether all the misery inflicted on the English nation in a quarter of a century by bad kings, bad ministers, bad parliaments and bad judges, was equal to the misery caused in a single year by a bad currency."—LORD MACAULAY, *in History of England*.

"The theory (of paper inflation) in my belief, is a departure from the true principles of finance, the national interest, national obligation to creditors, Congressional promises, party pledges on the part of both political parties, and of the personal views and promises made by me in every annual message sent to Congress and in each inaugural address."—U. S. GRANT.

THE
Contraction of the Currency.

40855

AN ARGUMENT:

FOUNDED ON FIGURES AND QUOTATIONS FROM OFFICIAL REPORTS, AND
PROVING THAT THE CIRCULATING MEDIUM OF THE COUNTRY
HAS NOT BEEN MATERIALLY DIMINISHED SINCE 1865.

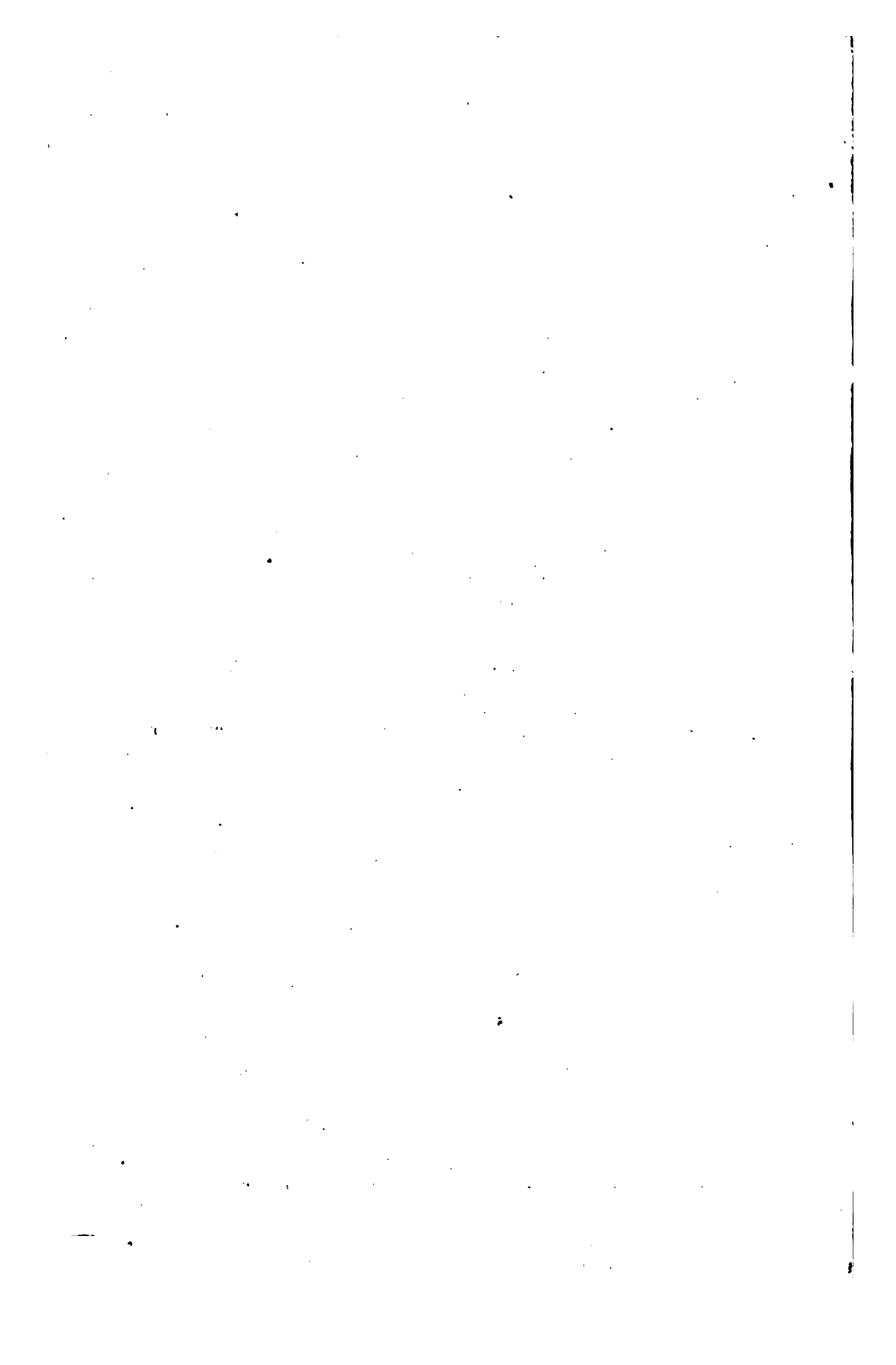
By C. K. BACKUS,
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1878.



THE QUESTION

OF THE

Contraction of the Currency.

There has never been a question before the American people of more importance to them than that of the currency. And it is safe to say that there is no question in which the people are more easily deluded by the fallacies of wild theorists or the sophistries of political demagogues. And there is no part of this important subject upon which people are so easily misled, as upon the influence of the amount of currency in circulation upon the business of the country; and on no part of the subject does more erroneous opinions prevail than in regard to the amounts of currency in circulation at the present time, and at different times in the past. The object of the "Honest Money League" is to "disseminate correct information" on all such questions. It, therefore, presents the following tables and analysis, being sure that they are correct, with the hope that their circulation will counteract, to some extent, the gross misrepresentations which have been put in circulation, either by misinformed or reckless persons.

The tables, and the analysis of them, which forms the most important part of this pamphlet, was prepared by MR. C. K. BACKUS, editor of the *Detroit Post and Tribune*. Though brief, its preparation was no short or easy task, as it condenses a mass of valuable information, for which the compiler had to search through many volumes of Statutes and official reports. Its statements have been carefully compared with the original and official documents, and *in every case* found correct. So that unless typographical errors may occur it can be absolutely relied upon.

40455-

Recd. 2-1-28 M.V.P.

Attention is also called to the text of the more important "Loan and Currency Laws" of the United States enacted since 1861. It is hoped by placing these laws in this compact form and offering them at a price within the reach of every citizen, that many may be induced to read them, at a time when everybody is talking about "the financial question."

CONTRACTION.

It is claimed that there has been an enormous contraction of the currency within the years since the close of the war, and the Government is being traduced and denounced on account of it. The different tables contained in this pamphlet, with the explanations backed by official reports, and viewed in the light of the Statutes themselves, ought to settle the question beyond all dispute, as to the amount of currency in circulation each year since 1860. The following table prepared recently at the Treasury Department gives the total amount of *paper* currency in circulation at the close of each fiscal year from 1860 to 1878, with the gold value of the same. It will be observed that a large amount of "one and two year notes," bearing five per cent. interest, and "compound interest notes," bearing six per cent. interest, are included in the table as currency. *But notwithstanding this*, if we add the silver and silver certificates now in circulation to the paper currency, the gold value of our currency in 1878, is over forty millions more than in 1865.

TITLE. (Continued.)	Amount out- standing June 30, 1872.	Amount out- standing June 30, 1873.	Amount out- standing June 30, 1874.	Amount out- standing June 30, 1875.	Amount out- standing June 30, 1876.	Amount out- standing June 30, 1877.	Amount out- standing June 30, 1878.
	30, 1872.	30, 1873.	30, 1874.	30, 1875.	30, 1876.	30, 1877.	30, 1878.
State-Bank Circulation.....	\$1,700,935 00	\$1,294,470 00	\$1,009,021 00	\$786,844 00	\$658,958 00	\$521,611 00	\$426,504 00
National Bank Circulation.....	857,664,795 00	847,267,061 00	351,981,932 00	354,408,008 00	332,998,336 00	317,048,872 00	324,614,284 00
Demand Notes.....	88,296 25	79,957 50	76,722 50	70,107 54	66,917 50	63,962 50	62,297 50
Legal tender Notes.....	357,500,000 00	356,000,000 00	382,000,000 00	375,771,580 00	369,772,284 00	369,764,332 00	346,681,016 00
One and two-year Notes of 1863.....	167,522 00	142,105 00	127,625 00	113,375 00	104,705 00	95,725 00	90,485 00
Compound interest Notes.....	693,520 00	479,400 00	415,210 00	307,300 00	328,760 00	296,630 00	274,920 00
Fractional Currency.....	40,855,835 27	44,799,365 44	46,881,295 67	42,129,424 19	34,446,595 39	20,403,137 34	16,547,768 77
Total amount in Currency.....	738,570,903 52	750,062,868 94	781,490,916 17	773,646,728 60	738,376,885 19	698,194,269 84	688,597,272 27
Value of the paper dollar as compared with coin, July 1 of each year.....	\$0 87 5	\$0 86 4	\$0 91	\$0 87 2	\$0 89 5	\$0 94 7	\$0 99 4
Value of currency in gold.....	646,249,540 58	648,054,886 76	711,156,738 71	674,619,947 42	660,846,999 62	661,189,973 54	684,465,691 62

(NOTE 1.)—On the 28th of February, 1862, the date of reports nearest to the passage of the "Legal-tender act," there were outstanding—

Demand Notes.....\$57,390,000

(NOTE 2.)—On the 30th of June, 1862, the date of reports nearest to the passage of the "Fractional-Currency act," and the act authorizing an additional issue of \$150,000,000 Legal tender Notes, there were out-
standing—

Demand Notes.....\$53,040,000
Legal-tender Notes.....96,620,000
\$149,660,000

(NOTE 3.)—On the 28th of February, 1863, the date of reports nearest to the passage of the act authorizing the issue of One and Two-year, and Compound interest Notes, and an additional issue of \$150,000,000 Legal-tender Notes, there were outstanding—

Demand Notes.....\$6,469,105 75
Legal-tender Notes.....291,836,000 00
Fractional Currency.....15,926,000 00
\$313,231,105 75

(NOTE 4.)—The amount of State and National Bank circulation is com-
piled from the reports of the Comptroller of the Currency at the nearest
dates obtainable to the end of each fiscal year; the other amounts are
taken from the official printed reports of the Secretary of the Treasury.

SYNOPSIS:

	Total Paper Currency at close of each year.	Total Gold value of Paper Currency at close of each year.
1860.....	\$207,102,477 00	\$207,102,477 00
1861.....	202,005,767 00	202,005,767 00
1862.....	333,452,079 00	288,769,500 41
1863.....	649,867,282 75	497,798,388 59
1864.....	833,718,984 84	322,649,246 94
1865.....	983,318,685 76	692,256,354 77
1866.....	891,904,685 96	588,657,092 73
1867.....	826,927,153 52	592,906,769 07
1868.....	720,412,602 75	505,009,234 52
1869.....	693,946,056 61	510,060,351 61
1870.....	700,375,899 48	599,521,769 95
1871.....	717,875,751 06	638,909,418 44
1872.....	738,570,903 52	646,249,540 58
1873.....	750,062,368 94	648,054,886 76
1874.....	781,490,916 17	711,156,733 71
1875.....	773,646,728 69	674,619,947 42
1876.....	738,376,535 89	660,846,999 62
1877.....	698,194,269 84	661,189,973 54
1878.....	688,597,275 27	684,465,691 62

If we limit the term "currency" to non-interest bearing, and paper not maturing at any specified time, the actual value of such currency in 1865 will be found to be over \$240,000,000 less than at the present time.

The large volume of currency that it is claimed was in circulation in 1865, is made up by counting as currency all "certificates of deposit, certificates of debt, one and two year, and compound interest bearing notes, and 7-30 three year notes," and it is the paying or funding of these "temporary loans" that it is claimed constituted the contraction complained of. But it is manifestly an absurd claim: for the dates and terms on the face of these obligations made them payable at a certain fixed time, and having issued them *as loans* the Government was compelled to redeem them at maturity or sacrifice its honor and credit by failing to do so. It is equally absurd to attribute the panic to the redemption of these notes and bonds; for these all being issued prior to September 1st, 1865, and none of them having over three years to run, were necessarily all redeemed prior to September 1st, 1868. The intervening years and the three succeeding years are admitted to have been years of the greatest activity, and the panic did not come until September 1873. But a careful study of the tables, laws, and explanations which form the body of this pamphlet will enable every man who will devote a little attention to the subject, to form an intelligent and correct judgement of his own upon this deeply important question.

[*From the Detroit Post and Tribune.*]

THE CURRENCY.

The Statement that it Has Been "Enormously Contracted" Since 1865
Absolutely Disproved.

The Facts in the Case as Shown by the Official Documents—An Article Based Wholly Upon Records and Utterances Made Years before the Present Questions Arose—The Conclusive Showing of Contemporaneous Testimony.

Very many men of honest intentions have been misled in the current popular discussion of various phases of "the financial question" by the indefinitely re-iterated charge that there has been "an enormous contraction of the currency" since the close of the war, and that this has been the cause of the commercial and industrial depression of the last five years. This statement is given in various forms in the speeches, "documents," and newspapers of the advocates of an "absolute paper money," but its average shape is this: The close of the war saw this country with about "\$2,000,000,000 of currency," which has been, in the thirteen years intervening, contracted by retiring the amount of over \$1,200,000,000, and this contraction is the source of the prevailing financial disaster and "hard times." To show that this assertion is as untrue as if its utterers should declare that this was the year 2878, or that the present volume of our public debt was five billions, or that a dollar contained two hundred cents, it is only necessary to refer to the official documents and records. As a preliminary to their examination, and for

the purpose of preventing any misunderstanding, the questions should first be briefly considered, What is "currency," and what are "securities?" Without pretending to aim at scientific exactness in these definitions, and treating these terms only in their relation to this single controversy, it may be said that the following will be conceded by all parties to this discussion: By "currency" are meant metallic and paper issues, which from their character go into general circulation for business purposes, are paid from hand to hand, and form the basis of bank checks, bills of exchange, etc. All coins (when not at a premium), bank notes (State and National), postal and fractional currency, and simple legal tenders are now grouped under this category by all parties without dispute. They can yield no returns as investments, their great use is in furnishing the conveniences of exchange, and there is nothing in their nature that tends to keep them out of active circulation. Of course many of them are hoarded by the timid and the foolish, but this fact is not of any practical importance in this connection, and the entire aggregate of these issues is properly included in any "currency" statement. Paper issues of the government, which bear interest, are not clothed with the legal tender attribute, run for terms of years, and chiefly exist only in large denominations, all parties agree in classing as "securities" or "bonds" and not as "currency." They are held as investments almost wholly, and possess no other natural use. At times they may figure in business transactions, but not as "money." A "five-twenty" accepted for a bill of groceries would no more become a part of the "currency" as a result of that transaction than would a yoke of oxen "traded" in the same way. On this point, also, there is no difference of opinion. Briefly, then "currency" is what the commercial world uses to transact its daily business, and "securities" are what it employs for the purpose of investment.

All the issues of government paper appear in the public debt statements, which are the only source of official and reliable information in regard to their character and volume. The public debt reached its highest point towards the close of the summer of 1865; since that period it has been steadily and rapidly diminishing. It is at and about that time that "two billions of currency" are alleged to have been in existence. The report of the Secretary of the Treasury for 1865 (on pages 50 to 55 inclusive) gives an elaborate table of the condition of the public debt on June 30 of that year, with the statistics of each issue and detailed references to the laws authorizing them. The authenticity of this document cannot be questioned. It was prepared and published officially 13 years ago, long before the

present controversy arose, and before its existing phase could have been foreseen. There were no material changes in the two or three following months (during which the volume of the debt was swelling) in any of its items which are involved in this dispute, and it is a fair table to compare with recent debt statements for the purpose of thus testing the accuracy of the charge that there has been \$1,200,000,000 of "contraction." For the convenience of those who cannot easily get access to the public documents, elsewhere is given an abstract of that table, with references which will enable any one to verify in detail the following statements. For the purposes of the comparison there is also given a table of the condition of the public debt on April 30, 1878, (the latest issued at the time of the preparation of this matter) taken from the official sheet for that month issued by the Treasury Department, and therefore also official in its character. These tables, the volumes of the United States laws, and the contemporaneous reports of Government officials (nearly all of them prepared from ten to fifteen years ago, and before this controversy had begun)—let it be noted that every reference is to an official publication to be found in any large library!—show the following to be the facts concerning the history and the condition in 1865 and 1878 of every item in the public debt statement. [This article does not require any reference to the amount of "cash in the Treasury" at any date, or the copper and nickel coinage, and they are, therefore, omitted as not relevant.]

TABLES,

Giving the Details of the Condition of the Currency in 1865 and 1878:

THE PUBLIC DEBT STATEMENT AT THE CLOSE OF THE FISCAL YEAR
ENDING JUNE 30, 1865—(Pages 50 and 55, *Finance Report of 1865*).

TITLE.	Date of Enabling Acts.	When Payable.	Rate of Interest.	Am't Outstand- ing June 30, 1865	Stat. at large. ‡
1. Loan of 1842.....	{ July 21, 1841 April 15, 1842 }	After Dec 31, 1862.	6 p. c....	\$195,408 45	Vol. p. 5 438
2. Loan of 1847.....	Jan. 28, 1847.....	After Dec. 31, 1867..	6 p. c....	9,415,250 00	5 473
3. Loan of 1848.....	March 31, 1848.....	After July 1, 1868..	6 p. c....	8,908,841 80	9 118
4. Texas Indemnity.....	Sept. 9, 1850.....	After Dec. 31, 1864..	5 p. c....	842 000 00	9 217
5. Old Funded Debt.....	.....	On demand.....	3 & 6 p.c	114,115 48	9 446
6. Old Treasury notes...	{ Various acts prior to 1857 }	On demand.....	{ 1 mto } { 6 p. c }	104,511 64	...
7. 1 yr. Treasury notes...	Dec. 23, 1857.....	1 year after date...	5 & 5/8 p.c	8,800 00	11 257
8. Loan of 1858.....	June 14, 1858.....	Dec. 31, 1873.....	5 p. c....	20,000,000 00	11 365
9. Loan of 1860.....	June 22, 1860.....	After Dec. 31, 1870	5 p. c....	7,022,000 00	12 121
10. Treas'y notes of 1860	Dec. 17, 1860 ...	1 year after date...	5 & 1/2 p c	600 60	12 79
11. Loan of 1861.....	Feb. 8, 1861.....	After June 1, 1881..	6 p. c....	18,415,000 00	12 129
12. Treas'y notes of 1861	March 2, 1861.....	2y or 60 d after date	6 p. c....	5,800 60	12 178
13. Oregon War Loan.....	March 2, 1861.....	After July 1, 1881..	6 p. c....	1,016 0'0 00	12 198
14. 20-year Sixes of 1861	.....	After June 30, 1881	6 p. c....	50,000,000 00	12 313
15. 7-30 notes of 1861.....	{ July 17, 1861 Aug. 5, 1861 }	After Aug. 18, 1864	7.30 p.c.	139,155 650 00	12 259
16. Demand notes.....	Feb. 12, 1862.....	On demand.....	.....	472,603 00	12 313
17. 20-year Sixes of 1861	.....	After June 30, 1881	6 p. c....	431,300 00	12 338
18. Five-twenties of 1862	{ Feb. 25, 1862 March 8, 1864 }	After April 30, 1867	6 p. c....	514,780,500 00	12 345 13 13
19. *United States notes or greenbacks.....	{ Feb. 25, 1862 July 11, 1862 March 3, 1863 }	.....	.....	432,687,966 00	12 345 12 532 12 709
20. †Temporary loan certificates.....	{ Feb. 25, 1862 March 17, 1862 July 11, 1862 June 30, 1864 }	On 10 days' notice	{ 4.5 a } { 6 p c }	89,717,061 40	12 370 12 370 12 532 13 218
21. Loan of 1863.....	{ March 3, 1863 June 30, 1864 }	After June 30, 1881	6 p. c....	75,000,000 00	12 709 13 218
22. *1 and 2 year notes...	March 8, 1863.....	1 & 2 yrs after date	5 p. c....	42,838,710 00	12 709
23. *3-year notes.....	.....	3 years after date...	†6 p. c....	15,000,000 00	12 709
24. Ten-forties.....	March 3, 1864.....	After Feb. 28, 1874	5 p. c....	172,770,100 00	13 13
25. Certificates of In- debtedness.....	{ March 1, 1862 March 17 '62 March 8, 1863 }	1 year after date...	6 p. c....	115,772,000 00	12 852 12 370 12 709
26. †Postal Currency.....	July 17, 1862.....	.....	.....	9,915,408 66	12 592
27. †Fractional currency	March 3, 1863.....	.....	.....	15,090,420 10	12 709
28. Five-twenties of 1864	June 30, 1864.....	After Nov. 1, 1865	6 p. c....	91,789,000 00	13 218
29. *Compound interest notes.....	June 30, 1864.....	3 years after date...	†6 p. c....	178,756,080 00	13 218
30. 7-30 notes of 1864.....	June 30, 1864.....	After Aug. 15, 1867	7.30 p c	234,400,000 00	13 218
31. Central Pacific Rail- road bonds.....	{ July 1, 1862... July 2, 1864... }	After Jan. 15, 1835	6 p. c....	1,258,000 00	12 489 13 856
32. 7-30 notes of 1865.....	March 3, 1865.....	3 years after date...	7.30 p.c.	437,210,400 00	13 856
Total.....	.....	.....	.....	\$2,682,593,026 53	.....

*Possessing the legal-tender attribute. †Bearing compound interest. ‡Exchangeable for legal tenders, but not themselves a legal tender. §This column gives the pages of the Statutes at Large, upon which the full text or the enabling acts may be found.

STATEMENT OF THE PUBLIC DEBT ON APRIL 30, 1878.

TITLE.	Date of Enabling Acts.	Rate of Interest	When Payable.	Amount Outstanding April 30, '78.
<i>Debt Bearing Interest in Coin.</i>				
1. Loan of 1858.....	June 14, 1858.....	5.....	After Jan. 1, 1874..	\$260,000 00
2. Loan of Feb., 1861 ('81s)...	February 8, 1861.....	6.....	December 31, 1880	18,415,000 00
3. Oregon War Debt.....	March 2, 1861.....	6.....	July 1, 1881.....	945,000 00
4. Loan of July and August, '61 ('81s).....	July 17 and August 5, 1861.....	6.....	After June 30, 1881	189,321,350 00
5. Loan of 1863 ('81s).....	March 3, 1863.....	6.....	After June 30, 1881	75,000,000 00
6. Ten-forties of 1864.....	March 3, 1864.....	5.....	After March 1, 1874	194,566,300 00
7. Consols of 1865.....	March 3, 1865.....	6.....	After July 1, 1870..	106,856,050 00
8. Consols of 1867.....	March 3, 1865.....	6.....	After July 1, 1872..	310,616,300 00
9. Consols of 1868.....	March 3, 1865.....	6.....	After July 1, 1873..	37,465,300 00
10. Funded Loan of 1881.....	Jy 14, '70 & Ja. 20, '71	5.....	After May 1, 1881..	508,440,350 00
11. Funded Loan of 1891.....	Jy 14, '70 & Ja. 20, '71	4½.....	After Sept. 1, 1891..	210,000,000 00
12. Funded Loan of 1901.....	Jy 14, '70 & Ja. 20, '71	4.....	After July 1, 1907..	83,850,000 00
<i>Debt Bearing Interest in Greenbacks.</i>				
13. Navy Pension Fund.....	July 23, 1868.....	3.....	Interest only applicable to payment of pensions.....	14,000,000 00
14. Pacific Railroad Bonds.....	Jy 1, '62 & Jy 2, '64	6.....	30 years from date	64,623,512 00
<i>Past Due Debt on which Interest has Ceased.</i>				
15. Old Debt.....	Various, prior to '37	4 to 6.....	Before Jan. 1, 1837	57,665 00
16. Mexican Indemnity Stock.....	August 10, 1846.....	5.....	In 1851 and 1852...	1,104 91
17. Loan of 1847.....	January 28, 1847.....	6.....	Dec. 31, 1867.....	1,250 00
18. Bounty Land Scrip.....	February 11, 1847.....	6.....	July 1, 1849.....	3,400 00
19. Texan Indemnity Stock.....	September 9, 1850.....	5.....	Dec. 31, 1864.....	21,000 00
20. Loan of 1858.....	June 14, 1858.....	5.....	After Jan. 1, 1874..	8,000 00
21. Loan of 1860.....	June 22, 1860.....	5.....	January 1, 1871.....	10,000 00
22. 5-20's of 1862 (called).....	February 25, 1862.....	6.....	Dec. 1, 1871, & after	436,450 00
23. 5-20's of June, 1864 (called).....	June 30, 1864.....	6.....	Nov. 13, '75, & after	104,550 00
24. 5-20's of 1865 (called).....	March 3, 1865.....	6.....	Feb. 15, '76, & after	406,150 00
25. Consols of 1865 (called).....	March 3, 1865.....	6.....	Aug. 21, '77, & after	5,131,200 00
26. Treasury Notes prior to '46	Various, prior to '46	1-10 to 6	From 1838 to 1844..	82,525 35
27. Treasury Notes of 1846.....	July 22, 1846.....	1 10 to 6	In 1847 and 1848...	6,000 00
28. Treasury Notes of 1847.....	January 28, 1847.....	6.....	In 1848 and 1849...	950 00
29. Treasury Notes of 1857.....	December 23, 1857.....	3 to 6.....	In 1858 and 1859...	1,800 00
30. Treasury Notes of 1861.....	March 2, 1861.....	6.....	March 1, 1863.....	3,100 00
31. 7-30's of 1861.....	July 17, 1861.....	7 3-10...	Aug. 1 & Oct. 1, '64	16,800 00
32. One-year notes of 1863.....	March 3, 1863.....	5.....	In 1865.....	52,165 00
33. Two-year notes of 1863.....	March 3, 1863.....	5.....	In 1866.....	39,250 00
34. Compound Interest Notes.....	Mr. 3, '63, Ju. 30, '64	6.....	In 1867 and 1868...	277,530 00
35. 7-30's of 1864 and 1865.....	Ju. 30, '64, Mr. 3, '65	7 3-10...	In 1867 and 1868...	158,000 00
36. Certificates of Indebtedness	Mar. 1, 17, '62, Mar. 3, '63.....	6.....	In 1866.....	5,000 00
37. Temporary Loan.....	June 30, 1864.....	4 to 6...	October 15, 1866...	3,060 00
38. Three per cent. Certificates (called).....	{ March 2, 1867 } { July 25, 1868... }	3.....	February 28, 1873..	5,000 00
<i>Debt Bearing no Interest.</i>				
39. Old Demand Notes.....	{ July 17, 1861... } { Feb. 12, 1862... } { Feb. 25, 1862... }	None...	On demand.....	62,342 50
40. Legal-tender Notes, or Greenbacks.....	{ July 11, 1862... } { March 3, 1863... }	None...	.....	346,681,016 00
41. Certificates of Deposit.....	June 8, 1872.....	None...	.....	28,315,000 00
42. Fractional Currency.....	March 3, 1863.....	None...	.....	16,805,414 52
43. Coin Certificates.....	March 3, 1863.....	None...	.....	54,981,500 00
44. Silver Certificates.....	February 28, 1878..	None...	.....	63,000 00
Total.....				\$2,268,099,285 28

An Analysis of the Public Debt in 1865.

1. LOAN OF 1842—\$195,408.45.

These were six per cent bonds payable on January 1, 1863, of which the original amount authorized was \$17,000,000, and which were used for the redemption of outstanding Treasury notes and to defray public expenses authorized by law (sect. 1, act of July 21, 1841). The amount of them actually issued was \$8,343,886.03, and the small sum outstanding in the table was the balance which had not, on June 30, 1865, been presented for payment. This item does not figure in the debt statement for April 30, 1878, showing that these bonds have been duly paid. No one has ever claimed that this loan ought to be included in any table of "currency," and clearly it should not be.

2. LOAN OF 1847—\$9,415,250.

These were bonds issued to meet the general expenses of the Government, were payable on and after January 1, 1868, bore six per cent. interest, and of them there was originally authorized an issue not to exceed \$23,000,000, and such additional sum as should be necessary to fund Treasury notes already outstanding. The amount of this loan actually issued was \$28,207,000, and the figures in the table show the amount outstanding on June 30, 1865. These bonds have been since paid, except \$1,250, (17, 2d table) probably lost or destroyed. No one claims that they should be classed as "currency."

3. LOAN OF 1848—\$8,908,341.80.

These were bonds, payable after July 1, 1868, issued to meet the general expenses of the Government, bearing six per cent. interest, and of which the amount authorized and issued was \$16,000,000. This loan does not figure now in the public debt, and has, therefore, been paid in full since its maturity. These bonds no one asserts to have possessed "currency" attributes.

4. TEXAS INDEMNITY—\$842,000.

These were bonds bearing five per cent. interest, and redeemable after December 31, 1864, which the United States was authorized to issue to the amount of \$10,000,000, and did issue to the amount of \$5,000,000, to indemnify the State of Texas for her relinquishment of all claims on the United States, and to compensate her for her ships, forts, etc., which became the property of the United States after her annexation. Of the small amount still outstanding in 1865, \$21,000

still remained unpaid on April 30, 1878, (19, 2nd table) and the bonds are probably lost. This loan certainly never figured as "currency."

5. OLD FUNDED DEBT—\$114,115.48.

This item consisted of unclaimed dividends upon bonds issued before 1800, or during the war of 1812, standing on the Treasury books to the credit of unknown parties. On April 30, 1878, it had dwindled to \$57,665, (15, second table). Of course it is not "currency."

6. OLD TREASURY NOTES—\$104,511.64.

This small item represents the unredeemed remainder of various issues of Treasury notes authorized prior to 1857, originally rising to several millions in amount and long before payable on demand. They bore interest at rates ranging from one mill to six per cent., and were, as a rule, receivable for public dues, although not a legal tender in private business. They were still outstanding on April 30, 1878, to the amount of \$89,475.35, being covered by these items in the table: "26. Treasury Notes prior to 1846;" "27. Treasury Notes of 1846," and "28. Treasury Notes of 1847." The probabilities are that these notes have ceased to exist, and the interest bearing feature was sufficient to check their general circulation, so that they did not in fact form part of the ante-war volume of "currency" in the proper sense of that term.

7. ONE YEAR TREASURY NOTES OF 1857—\$8,800.

These were interest-bearing Treasury notes, payable in one year, authorized to such sum less than \$20,000,000 "as the exigencies of the public services should require," and receivable for all public dues. They were issued to the full amount, bore five and five-and-a-half per cent. interest, and on April 30, 1878, still figured in the public debt statement to the amount of \$1,800. (29, second table). They bear the same relation to "currency" as the previous item.

8. LOAN OF 1858—\$20,000,000.

These were five per cent. bonds, payable after December 31st, 1873, and authorized and issued to the amount of \$20,000,000 for "the payment of appropriations made by law." Of course, they were not "currency," and this item had been on April 30, 1878, reduced to \$268,000. (1 and 20, second table.)

9. LOAN OF 1860—\$7,022,000.

These were five per cent. bonds, payable after December 31st, 1870, authorized to the extent of \$21,000,000 "for the redemption of Treasury notes outstanding or received for public dues," and issued for these purposes to the amount of the item in the table. Of these bonds \$10,000 appear in the debt statement for April 30, 1878. (21, second table.) No one claims that they were "currency."

10. TREASURY NOTES OF 1860—\$600.

This petty item represents the few notes (payable in one year) not presented for redemption out of \$10,010,900 which were issued amid the political chaos of the winter of 1860-1, under an act which authorized their sale at such rates of interest as should be offered by the lowest bidders. They were used to meet "the exigencies of the public service," and the interest paid ranged from six to twelve per cent. This rate of interest and the fact that the notes were issued to the order of the buyer and were not transferable except by assignment indorsed on their back make it certain that they did not circulate as "currency." Even the \$600, which was unpaid in 1865, has been since paid.

11. LOAN OF 1861—\$18,415,000.

These are six per cent. bonds, payable after June 1, 1881, of which the issue of \$25,000,000 was originally authorized "for the payment of current expenses and the redemption of treasury notes." The amount actually issued was the \$18,415,000 of this item, and the same figures appear in the second public debt statement given (2). No one claims that these bonds either were "currency" in 1865 or are now.

12 TREASURY NOTES OF 1861—\$5,800.

This small item represents the unredeemed balance of issues of treasury notes of denominations of not less than \$50, which, bearing six per cent. interest, were paid out "to meet the exigencies of the public service" to the amount of \$35,364,450. About one-third of these were payable sixty days after date and the remainder in two years, and they were receivable for the public dues but were not a legal tender. Of these notes, \$3,000 were, on April 30, 1878, still unredeemed (30, 2d table). It is not very important for this purpose whether this little item is or is not treated as "currency," but as a matter of fact none of these earlier issues of Government notes, bearing interest and not possessing the legal tender attribute, figured in

the circulating medium of the country, and they ought not to be classified as "currency."

13. OREGON WAR LOAN—\$1,016,000.

These were bonds, bearing six per cent. interest and payable after July 1, 1881, which were authorized to the amount of \$2,800,000, and issued to the amount of \$1,090,850 "for the payment of expenses incurred by the Territories of Washington and Oregon in the suppression of Indian hostilities during 1855 and 1856." They figured in the debt on April 30, 1878, to the amount of \$945,000, (3, 2d table) and have never been claimed as "currency."

14. TWENTY-YEAR SIXES OF 1861—\$50,000,000, AND (17) TWENTY-YEAR SIXES OF 1861—\$431,300.

These were six per cent. bonds, payable after June 30th, 1881, and issued for general war purposes within a limit of \$250,000,000. Of course they were not "currency" and have never been claimed as such, and additional bonds of this same class were subsequently issued to retire the "seven-thirties" (15) and "demand notes" (16) authorized by the same statutes, so that the total of this item in the public debt statement had risen on April 30, 1878, to \$189,321,350, (4, second table.)

15. SEVEN-THIRTIES OF 1861—\$139,155,650.

These were Treasury notes, payable after three years, bearing interest at the rate of 7.30 per cent., and fundable into the long term six per cent. bonds described in the previous paragraph. The total amount of these notes issued was \$140,094,750, and of this sum \$16,800 (31, second table) was unpaid on April 30, 1878. It is generally claimed that these notes were made a "legal tender," and they figure (usually for that assigned reason) in the tables of "currency" published by the advocates of irredeemable paper money. As a matter of fact this issue of "seven--thirties" were not only not made a legal tender, but they were not even receivable for public dues. The laws authorizing their issue deal with them as constituting a popular loan of short duration and high interest, and provide for their being advertised and sold through local subscription agents like the longer-lived bonds. This particular issue of "seven-thirties" was not intended to circulate, and there is no better reason—not even as good—for including them in a table of "currency in 1865" than for including in a table of the currency now the millions of five per cent. and six per cent. bonds which are payable at the pleasure of the Government.

16. DEMAND NOTES OF 1861—\$472,603.

These were Treasury notes, non-interest bearing, ranging in denominations from \$5 upward, receivable for public dues, and originally redeemable on demand in coin by the United States. Their history is this: Originally \$50,000,000 of them were authorized. Of these \$33,460,000 were issued prior to the general suspension of specie payments in December, 1861; up to that time all of them presented at the Treasury were redeemed in coin on demand. After the suspension the remainder of the \$50,000,000 were issued, but as they were no longer redeemable on demand they depreciated somewhat in value. On February 12, 1862, the authority for the issue of \$10,000,000 more of these notes was conferred, but a few days thereafter the first issue of "the greenbacks" made its appearance. As these were a "legal tender," while the "demand notes" were not, even the fact that the latter were receivable for customs duties, while the "greenbacks" were not, did not prevent the "demand notes" from depreciating somewhat, especially as some of the New York banks refused to accept them in clearing-house settlements. To meet this difficulty the "demand notes" were (on March 17, 1862) also given the legal tender attribute. At once they not merely rose in value to the level of "the greenbacks," but passed on to a premium, their receivability for customs duties making them speedily command a premium equal to that possessed by gold. This fact carried them out of "circulation." The annual report of the Secretary of the Treasury, dated December 4, 1862, speaks of them even then as "not available for circulation," and their position was identical at that time with that of coin, which certainly did not form part of the "currency" of 1865. While, therefore, ordinarily the "demand notes" would have been part of the circulation, the official documents clearly show that they were not, and should not be so treated, in 1865. The entire \$60,000,000 authorized of these notes were issued, and on April 30, 1878, the item of \$62,342.50 (39, 2d table) still appeared in the debt statement.

18. FIVE-TWENTIES, FIRST ISSUE—\$514,780,500.

These were six per cent. bonds, redeemable after April 30, 1867, and payable 15 years later, of which \$515,000,000 were originally authorized and the amount named above actually issued. No one has ever claimed that these bonds were "currency," and they had been reduced to \$436,450 on April 30, 1878, and appear for that amount in the table for that date, (22).

19. UNITED STATES NOTES—\$432,887,966.

These were the common notes, known as "the Greenbacks," which were non-interest bearing, were made a legal tender for all purposes except the payment of customs duties, and formed in 1865 the main "currency" of the country. Their earlier issues were convertible on demand into six per cent. bonds, but that feature was withdrawn by act of March 3, 1863, such withdrawal taking effect on July 1, 1863. The entire amount authorized by the four acts creating them was \$450,000,000, and the largest amount of them outstanding at any one time was \$447,300,203.10, and this included \$50,000,000 of reserves held in the Treasury to redeem temporary loans. The convertibility into six per cents operated to retire the original issues, and by the act of June 30, 1864, it was provided: "Nor shall the total amount of United States notes issued, or to be issued, ever exceed \$400,000,000, and such additional sum, not exceeding \$50,000,000, as may be temporarily required for the redemption of temporary loans." The amount still outstanding of this legal tender "currency" was on April 30, 1878, \$346,681,016, (40, second table) and since that date Congress has ordered the permanent maintenance in circulation of that amount of these notes.

20. TEMPORARY LOAN CERTIFICATES—\$89,717,061.40.

These were certificates of deposit (of not less than \$100 in denomination) which were issued by the United States to any one depositing a like amount of legal tender notes at any Government depositories. They bore interest at rates ranging from four to six per cent., and their life was thirty days. After the expiration of that time the holder could obtain back his "greenbacks" by giving ten days' notice, or the Government could stop the interest on them and order their presentation for payment. The Treasury was required to hold a reserve of legal tenders not exceeding \$50,000,000 to provide for their prompt redemption. The total amount of these certificates authorized was \$150,000,000. The amount actually issued is not recorded, and of them \$3,060 appear as an item (37) in the debt statement of April 30, 1878. It will be seen that they were readily exchangeable into "legal tender" notes, although they did not themselves possess the latter attribute, and this feature of exchangeability is claimed as justifying the including of this entire item in the table of "the currency of 1865." Exactly how much ground there is for this claim will be considered hereafter.

21. LOAN OF 1863—\$75,000,000.

These were six per cent. bonds payable after June 30, 1881, which were issued for war purposes, and of which the amount authorized was finally limited to the \$75,000,000 issued. This sum appears in both the debt statements for 1865 and 1878 (5, 2d table.) Of course these bonds are not "currency," and have never been so claimed.

**22. ONE AND TWO YEAR NOTES OF 1863—\$42,338,710—AND
23. THREE YEAR NOTES OF 1863—\$15,000,000.**

These were Treasury notes, bearing in the case of the first-class five per cent. interest in currency, and in the case of the second class six per cent. compound interest, payable in one, two, and three years after their dates. The amount of them originally authorized was \$400,000,000, and the amount actually issued was \$211,000,000 of those maturing in one and two years, and \$17,250,000 of those running three years; they were on April 30, 1878, still outstanding to the following amounts: "32. One year notes of 1863, \$52,165;" "33. Two year notes of 1863, \$39,250;" "34. Compound interest notes, (including the issue of 1864), \$277,530." They were made a legal tender "to the same extent as United States notes, for their face value, excluding interest," and they were also convertible into United States notes. It is claimed (chiefly on account of their legal-tender qualities) that these items should be included entire in a table of "the currency of 1865," and this claim is reserved for further consideration.

24. TEN-FORTIES OF 1864—\$172,770,100.

These were five per cent. bonds, payable after February 28, 1874, of which \$200,000,000 were originally authorized, and \$196,117,300 issued. In the statement for April, 1878, (6) the amount outstanding was \$194,556,300. Of course, they were not part of the "currency," nor have they been so classed by any one.

25. CERTIFICATES OF INDEBTEDNESS—\$115,772,000.

These were certificates, issued to public creditors "in satisfaction of audited and settled demands," "payable in one year after date, or earlier, at the option of the Government," and bearing six per cent. interest, originally payable in coin but after March 3, 1863, in United States notes. The total amount of them issued was \$561,753,241.65, and of them \$5,000 was still outstanding on April 30, 1878, (36, second table). The claim that these issues were part of "the currency" is also made, and will be examined hereafter.

26. POSTAL CURRENCY—\$9,915,408.66.

These were the earliest substitutes for "silver change" after the latter's disappearance upon the general suspension of specie payments in December, 1861. They were Government "shinplasters" for the fractional parts of a dollar, and were receivable in payment of all dues except customs duties in sums less than \$5, and were exchangeable in sums of \$5 and upwards for legal tenders. They were, of course, part of the "currency," and figure in the debt statement for April 30, 1878, with

27. FRACTIONAL CURRENCY—\$15,090,420.10.

These were akin to the former in their general character, but were exchangeable into United States notes in sums not less than \$3, and were receivable for all United States dues, except duties, in sums less than \$5. The highest amount of the postal and fractional currency outstanding at any one time was \$49,102,660.27 and the retirement of the fractional currency only commenced with the substitution for it of the silver subsidiary coinage in 1878. There were still unredeemed on April 30, 1878, fractional notes (42) to the amount of \$16,805,414.52. Of course they belong in any table of "currency."

28. FIVE-TWENTIES OF 1864—\$91,789,000.

These were six per cent. bonds, redeemable after five and payable in not more than forty years from date, which were originally authorized to the amount of \$200,000,000, and issued to the amount of \$129,443,800, and of which \$104,550 were still outstanding on April 30, 1878 (23, 2d table). They have never been claimed as "currency."

29. COMPOUND INTEREST NOTES—\$178,756,080.

These were Treasury notes, payable in three years, and bearing six per cent. compound interest in legal tenders. They were made "a legal tender to the same extent as United States notes, for their face value, excluding interest," and could be converted into six per cent. (coin interest) bonds, but they were not permitted to be "a legal tender in payment or redemption of any notes issued by any bank, banking association, or banker, calculated or intended to circulate as money." Their total issue, including the same class of notes numbered (23), was \$266,595,440, and they have been long since redeemed and figure now in the public debt statements only as part of the small item already noted of \$277,530 (*vide* 23). They are claimed as belonging in the table of "currency in 1865;" the facts in the case will be given hereafter.

30. SEVEN-THIRTIES OF 1864—\$234,400,000.

These were three-year Treasury notes, bearing 7.30 per cent. currency interest, which it is usually supposed possessed the same "legal tender" attributes as the "compound interest notes" just described. This supposition has chiefly sprung from the fact that these notes were issued under the same section of the act of June 30, 1864, as the compound interest notes, but a little examination of that statute will show that they could not have been made a legal tender. That act provided, in regard to all these short-term notes, that "such of them as shall be made payable, principal and interest, at maturity, shall be a legal tender." The seven-thirties were not payable; "principal and interest, at maturity." The compound interest notes were so made payable. The interest on the seven-thirties was made payable semi-annually. The interest on the compound interest notes was not made payable until the maturity of the note—hence their name. These compound interest notes were thus the only ones made a legal tender by this act. The seven-thirties were not by this act, or by any other act, made a legal tender. To the proof afforded by the terms of the statute can be added direct evidence. Secretary Fessenden, in his report for 1864 (p. 20, Finance Report of 1864) states specifically that he put the issue of "the seven-thirties" on the market as "a national loan," for the express purpose of avoiding the alternative of "issuing legal tender notes." And in the debate in the House during the second session of the 38th Congress (*vide* pp. 350-1, *Globe*,) upon the bill authorizing the third issue of "seven-thirties," Mr. Stevens, Mr. Morrill, and others, repeatedly stated that no legal tender seven-thirty notes had been issued under the act of 1864, and that "the Secretary of the Treasury did not see fit to exercise the power given him to make them a legal tender." Certainly this is conclusive on this point.

31. PACIFIC R. R. BONDS—\$1,258,000.

These are six per cent. bonds, bearing currency interest, and payable on January 15, 1895, the principal of which the United States Government has loaned to the six Pacific railways, and on which it has thus far paid about three-quarters of the interest. Latterly this item has not figured in the public debt statement, but it is included (\$64,623,512) in the table given for April, 1878 (14). Of course, these bonds are not "currency."

32. SEVEN-THIRTIES OF 1865—\$437,210,400.

These were three year Treasury notes, bearing 7-30 per cent. interest in legal tenders, and convertible into six per cent. bonds.

Of these and "the seven-thirties of 1864" the sum of \$829,992,500 was issued of which \$158,000 remained still unpaid on April 30, 1878 (35, second table). These notes were not made a "legal tender," as is so often asserted, but the law authorizing their issue expressly said: "Nothing herein contained shall be construed as authorizing the issue of legal tender notes in any form," (Vol. 13, page 468, Stat. at Large). On page 36 of his annual report for 1865 the Secretary of the Treasury spoke of this issue, and of that of 1864, as follows:

The act of March 3, 1865, authorized the Secretary of the Treasury to borrow any sums not exceeding \$600,000,000, and to issue therefor bonds or Treasury notes in such form as he might prescribe. Under this act there was issued during March \$70,000,000 of notes payable three years after date, and bearing an interest payable semi-annually in currency at the rate of 7-30 per annum, and convertible at maturity, at the pleasure of the holders, into 5-20 gold bearing bonds. Upon the capture of Richmond and the early disbanding of the forces * * the Secretary perceived the necessity of realizing as speedily as possible the amount—\$580,000,000—still authorized to be borrowed under this act. *The "seven-thirties" had proved to be a popular loan, and although a security on longer time and lower interest would have been more advantageous to the Government, the Secretary considered it advisable, under the circumstances, to continue to offer these notes to the public. * * These notes were distributed in every part of the Northern and some parts of the Southern States, and placed within reach of every person desiring to invest in them. No loan ever offered in the United States, notwithstanding the large amount of securities previously taken by the people, was so promptly subscribed for as this.*

This evidence to the effect that the later issues of "seven-thirties" were in the nature of a "security" could be increased, but it is unanswerable in itself.

The Debt Statement of April 30, 1878,

was largely covered in the preceding analysis of the figures for 1865. The items therein, whose character has not been already stated, are as follows:

The "consols" of 1865, 1867 and 1868 (7, 8, 9, 24 and 25, second table) are six per cent. bonds, issued under the law of March 3, 1865, (vol. 13, p. 468, Stat. at Large) and payable at any time now, in the pleasure of the Government, which are being gradually converted into securities bearing a lower rate of interest. The five per cent. bonds payable in 1881 (10), the four and a half per cents, payable in 1891 (11), and the four per cents, payable in 1907 (12), are all issued under the so-called Funding acts of July 14, 1870 (vol. 16, p. 272 *ibid*), and

January 20, 1871 (vol 16, p. 399 *ibid*). These "securities" amounted on April 30, 1878, in the aggregate to \$1,262,765,350.

The Navy Pension fund (13) represents the proceeds of a certain class of forfeitures, prize money, etc., which stand to the credit of this fund on the Treasury books, amounted on April 30, 1878, to \$14,000,000, and bears three per cent. currency interest; such interest is applied annually in the payment of navy pensions or for the relief of disabled naval officers, seamen or marines (*vide* p. 932, Rev. Stat. of 1875).

The little items of "16. Mexican Indemnity Stock" (\$1,104.91), of "18. Bounty Land Scrip" (\$3,400), and of "38. 3 per cent. certificates (\$5,000)," represent outstanding issues of Government paper (presumably destroyed) which are of too slight importance to justify occupying space with detailing their history.

None of the foregoing items will be claimed by any one as belonging in any table of "currency."

41. THE CERTIFICATES OF DEPOSIT—\$28,315,000.

are issued under the law of June 8, 1872 (vol. 17, p. 336, Stat. at Large), which authorizes national banks to deposit United States notes in sums of not less than \$10,000 with the Secretary of the Treasury, and receive therefor non-interest bearing certificates, which may count in lieu of said notes as part of the bank's reserve, and may be accepted in the settlement of clearing house deposits. The law further provides that said certificates shall not be so used as "to create any expansion or contraction of the currency," and that the notes deposited shall be held in the Treasury as "special deposits" for the redemption of the certificates issued, and not as part of the available "cash on hand." Plainly these certificates are a piece of financial machinery devised for the accommodation of the banks, and do not belong in a "currency" table.

43. THE COIN CERTIFICATES,

Provided for by the act of March 3, 1863 (Vol. 12, page 709, Stat. at Large), represent gold coin and bullion deposited in the Treasury (to the amount of \$54,981,500, on April 30, 1878), and are receivable for all public and private payments exactly as is gold. "44. The silver certificates" (\$63,000, on April 30, 1878), represent in precisely the same way silver coin and bullion, and were provided for by the act of February 28, 1878, remonetizing the silver dollar. Both these certificates must be considered as part of "the currency"

whenever the premium on coin ceases to exist, as their relations (in value, etc.) to the circulating medium of the country are precisely those of the metallic money or the bullion which they respectively represent. The silver certificates were therefore a "currency" item on April 30, 1878, but the gold "coin certificates" were not.

ADDITIONAL "CURRENCY."

These public debt statements do not cover two items which belong in any table of "currency," viz: (1.) Bank notes and (2) coin when it is not at such a premium as to make it a commodity. The latter was the condition of all coin above the nickel grade in 1865; therefore no such item belongs in that year's table of "currency." The bank notes of all kinds outstanding in 1865 (the date was October 31, but there was no important change in their aggregate total between June 30 and that day) were thus estimated in the Secretary of the Treasury's report for that year (p. 9):

Notes of National Banks.....	\$185,000,000
Notes of State Banks.....	65,000,000

The amount of national bank notes outstanding on April 30, 1878, was \$321,709,559. (See Senator Ferry's speech, based on official tables.) The Director of the Mint, in his official report, prepared on April 3, 1878, (appendix 9, p. 70, Secretary Sherman's conference with the House Committee on Currency), estimated the amount of gold coin and bullion in the country then at \$200,000,000, and of silver coin and bullion at \$65,000,000. Of these sums, none of the gold could be said to belong to the "currency," although the premium was so small that it was on the very verge of being added thereto, but about \$50,000,000 of the silver (fractional coins, trade dollars, Mexican coins, and the remonetized dollar) was in "circulation" and therefore part of the "currency" of that date.

A COMPARATIVE STATEMENT.

From the foregoing it appears that the undisputed items making up the tables of "currency" in 1865 and in 1878 are as follows:

IN 1865.	
Greenbacks.....	\$432,687,966.00
Postal currency.....	9,915,408.66
Fractional currency.....	15,090,420.10
National bank notes.....	185,000,000.00
State bank notes.....	65,000,000.00
Total.....	\$707,693,794.76

IN 1878.

Greenbacks.....	\$346,681,016.00
Fractional currency.....	16,805,414.52
Silver certificates.....	63,000.00
National bank notes.....	321,709,559.00
Silver coins of all kinds.....	50,000,000.00
Total.....	\$735,258,989.52

The second table will not be questioned by any one, and is complete. To the first one should be added more or less of the "temporary loan certificates," "certificates of indebtedness," "one and two year five per cents," "compound interest notes," and "seven thirties." The question is, How much? The men who are industriously at work seeking to create a popular belief that there has been "an enormous contraction of the currency," claim that all those items should be added bodily. By this process of computation, they figure up the magnificent total of \$1,960,043,696.16—their two "billions of currency!" It remains to examine into the admissibility of these calculations with the light cast upon this point by official and unofficial documents, dealing with the subject at the time, and published years before the present controversy arose. The question is,

WHAT PERCENTAGE OF THE SEVEN-THIRTIES, THE INTEREST BEARING LEGAL TENDERS, AND THE CERTIFICATES DID IN 1865 CIRCULATE AS CURRENCY?

It is certainly clear that the natural probabilities are all against the circulation of such issues of Government paper. Gold ceases to remain in "the currency" when it rises to one or two per cent. premium; by 1865 the compound interest notes, with their accrued interest, must have been worth at least six per cent. premium. The "seven-thirties" (bearing 7 3-10 interest) were certainly no more liable to be used as "currency" than are the four, four and a half, and five per cent. bonds now outstanding. Even the legal tender attribute does not offset these natural tendencies of such issues; gold has always been a legal tender, and yet it will not act as "currency" when it commands a premium in the money market. Two causes in 1865 disturbed somewhat the normal operations of these fundamental laws of "currency," viz :

1. The banks were allowed to hold these interest-bearing legal tenders as part of their reserves, and this circumstance undoubtedly released for general circulation an equal amount of the "greenbacks."
2. The tremendous industrial activity due to the war and the enormous disbursements of the Government did give to part of such

issues something of an ephemeral and forced circulation, of which the general history was this: They were paid out to the Government creditors, and after two or three exchanges (at the most), and as soon as the interest began to accrue upon them, went into the possession of bankers, capitalists, and investors, to be soon funded into long term bonds.

From these two sources came all the contributions made by the interest bearing issues of the Government to the volume of the war currency. After full allowance is made for these disturbing elements (as will be done hereafter), it can justly be said that there is as much ground, and no more, for including the interest-bearing issues of 1865 in a table of "the currency" for that year as for putting the present fifties, ten-forties, and funded loan bonds in a table of the currency for 1878. On such an absurd basis of computation the volume of money now in existence is also over "two billions." And on this theory there can be no demonstration of any "contraction" whatever.

THESE ISSUES MADE INTEREST-BEARING SO THAT THEY SHOULD NOT CIRCULATE.

The records of the Government clearly show that the legislators of the war era fully understood "the laws of currency" above set forth, and made these various issues interest-bearing for the express purpose of removing them promptly from the "circulation" and checking the already rapid progress of inflation. A little cool reflection must suffice to convince any man that the Government would not have paid out any interest-bearing legal tenders or certificates, except from a wish to avoid unduly increasing the volume of the paper circulating medium. Had this consideration not prevailed, certainly the Treasury would have printed and disbursed more "greenbacks" and not have burdened itself with an unnecessary interest charge. The reason, and the only reason, for making these issues interest-bearing was to keep them by that means out of ordinary circulation. This is evident on the face of the subject, but for the benefit of the sceptical, proof can be added. In 1862 (in the debate on the legal tender bill—*vide Globe* of February 6, 1862, p. 689), Thaddeus Stevens sneered at—"a kind of currency never before known, a circulation bearing interest. Bonds or notes intended for investment bear interest, *but no one expects they will be used as currency*; whether in the shape of bonds or notes they *will be used only as investments*, or as pledges on which to procure loans."

The following is a quotation from the report of the Secretary of the Treasury for 1864 (p. 3):

It will be seen that, by the several acts of Congress referred to, Government paper as a substitute for coin, under the respective designations of the United States notes and Treasury notes, might be issued to the amount of \$850,000,000, viz: United States notes, not bearing interest to the amount of \$450,000,000, * * and \$400,000,000 of Treasury notes, bearing interest, and *which it was hoped and believed would not remain in circulation, as they could be made a legal tender only for their face value without interest.*

In the report of the Secretary for 1865 is this statement (p. 3):

"The interest bearing notes, which were a legal tender for their face value, were intended to be a security rather than a circulating medium."

These quotations certainly sustain the assertions which preceded them, and they could be materially amplified if that were necessary.

CHARACTER OF THE EVIDENCE ADDUCED TO SHOW THAT THESE ISSUES WERE CURRENCY.

The men who insist that all these issues should be treated as "currency items" rely chiefly upon sheer assertion to counterbalance the weight of all the natural probabilities of the case and the manifest and expressed intention of the law-makers of that period. By way of "proof" but little is advanced by them; what there is of it (as far as could be ascertained by several months watching of the speeches and papers published in the Northwest by these advocates of an irredeemable currency), can be briefly stated and readily shown to be without force:

1. References are frequently made to Mr. E. G. Spaulding's valuable "Financial History of the War" (published in 1869), as justifying the treatment of the entire volume of the issues now under consideration as part of the currency. A careful examination of his work will show how utterly without foundation is such a claim. For instance of the temporary loan certificates it says (page 153):

"The certificates circulated to *some extent* at the clearing houses and among individuals, which was one mode of increasing the credit circulation of the country and thereby aiding the general inflation.

Of the certificates of indebtedness the work says (p. 153):

"The certificates were in the similitude of bank notes fitted for circulation as money, and did circulate to a considerable extent as currency *until there was such an accumulation of interest upon them as to make it an object for capitalists to hold them as an investment.*

It will be seen that the Spaulding history clearly asserts the limited character of the circulation of these issues. It also speaks (pages 195 and 196) of the issue of the one and two year five per cents in such terms as to show that their circulation was only a partial one. In describing the condition of the currency just after Lee's surrender, in April, 1865, the work says (page 188):

All the channels of circulation were well filled up with the greenback notes, compound interest notes, and certificates of indebtedness *to the amount of over \$700,000,000* before the national bank note got fairly into circulation.

It will be observed that Mr. Spaulding, while arguing that there was a great inflation in 1865, and including in his calculations all the issues then outstanding that obtained even a partial circulation, could figure up, not \$2,000,000,000, but only \$700,000,000, exclusive of National bank notes, which did not then equal \$150,000,000, and State bank notes, which amounted to about \$75,000,000. And this aggregate he treats as an enormous inflation of the currency and deploras the situation at much length. Again he summarizes the condition of the Treasury at the time Mr. Fessenden succeeded Mr. Chase and says (p. 198):

The statement of the condition of the Treasury, June 30, 1864, showed that the currency items and others operating to inflate prices were as follows:

United States notes, greenbacks.....	\$481,178,670.84
Postal, fractional currency.....	22,894,877.25
Interest-bearing legal tender Treasury notes	168,571,450.00
Certificates of indebtedness.....	160,720,000.00
National bank notes	25,825,695.00
State circulation (estimated).....	185,000,000.00
	\$944,190,693.09
Seven-thirty Treasury notes.....	\$109,356,150.00
Temporary loan certificates.....	72,880,191.44
	181,686,341.44
Total inflating paper issued.....	\$1,125,877,034.58

It will be noted that this is a table not of "currency items" exclusively, but also of "other items operating to inflate prices;" that "the seven-thirties" and "temporary loan certificates" are classified separately with care; and that the aggregate is not given as a total of "currency," but as a total of "inflating paper." Yet even these figures Mr. Spaulding comments on as indicating "a great inflation." How prompt would he have been to take the "\$2,000,000,000" total as his text if he could have found any ground for such a computation! How certainly he would have treated all of "the seven-thirties," etc., as "currency" and made no distinction between them and "the greenbacks," if the facts would have permitted! And certainly if any ground for such a course existed, it would have been known to a man as thoroughly familiar as is he with all the details of the financial legislation of the war.

But that there could be no doubt as to Mr. Spaulding's opinion on this subject, a copy of the essential parts of this review was submitted to him, and the following reply received:

BUFFALO, N. Y., June 24, 1878.

DEAR SIR—Your favor of the 22d inst. has just come to hand; also the financial article prepared by you and published in *The Post and Tribune*. I have looked over the article and consider it a conclusive answer to the wild statements made by the inflationists in regard to the contraction of the currency since 1865. It would make a capital campaign document published in pamphlet form.

The "demagogues" are very reckless in perverting the facts, and the people are badly deluded with irredeemable paper promises called money.

Yours truly,

E. G. SPAULDING.

2. Letters are also occasionally published from bankers and other business men, setting forth that "the seven-thirties" were handled by them in the course of commercial transactions in 1865 and 1866. That fact is not to be disputed; from the two causes already mentioned some of "the seven-thirties" did circulate in those years, and some also undoubtedly figured then at times in daily business transactions, as do bonds, state and national, now. But to draw from these facts the conclusion that the whole immense mass of "seven-thirties" can therefore be treated as part of the "currency," is logically absurd. The proof is excellent that some of the "seven-thirties" did, for a time, act as "currency;" but the various letters establish only that admitted fact and nothing more. The real facts in this case are undoubtedly set forth in these replies to inquiries addressed to two prominent and thoroughly well-informed bank officers of Detroit by the *Lansing Republican*:

FIRST NATIONAL BANK OF DETROIT, May 7, 1878.

DEAR SIR—The interest-bearing legal tenders were received and paid out while they had only a few months accrued interest, but they were then so valuable that we laid them aside. This refers to the 6 per cent. "compound" notes. The 7-30's and other issues were not treated as currency.

No interest-bearing legal tender note, issued by the government, could long remain a part of the circulating medium or "currency." They would soon find their way into the bank vaults. Yours truly,

EMORY WENDELL, Cashier.

SECOND NATIONAL BANK OF DETROIT, May 7, 1878.

DEAR SIR—Acknowledging your letter of inquiry under date of 6th inst., I beg leave to reply that I never knew but one instance in which the 7-30 notes were paid out as currency. That was some notes sent by the Government to a paymaster to pay off troops. The notes were all of the denomination of \$50 and the amount was some \$3,000 or \$4,000 as I now remember.

In the early stages of their issue, the compound interest notes and the 5 per cent. one and two years' interest notes were used as currency; but after a few weeks their interest value caused them to be withdrawn from circulation and hoarded. They then practically ceased to be other than funded obligations of the government, and it was rare indeed to see them in the hands of the people, and when they were, holders looked carefully after the accrued interest, and made it tell in parting with the notes.

Truly yours,

C. M. DAVISON, Cashier.

3. An attempt is sometimes made to torture proof of the claim that these issues should be counted in their entirety as "currency" out of the report of the Secretary of the Treasury for 1867 (p. iv.), in which Mr. McCulloch, after giving a statement of the condition of the public debt on August 31, 1865, adds:

Of these obligations, it will be noticed, \$684,138,959 were a legal tender, as follows:

United States notes.....	\$433,160,569
Five per cent. notes.....	33,954,280
Compound interest notes.....	217,024,160

Total.....\$684,138,959

A very large portion of which were in circulation as money.

With any reasonable man it is certainly enough to call attention to the fact that the "greenbacks," every one of which were "in circulation as money," form in themselves "a very large portion" of that table, and that this fact and the very language quoted itself proves that the "circulation as money" of the five per cents. and the compound interest notes was limited and not complete.

4. The authority of work upon "Gold and Debt." W. L. Fawcett's, is quoted as sustaining "the two billions" claim. The fact is that that work carefully asserts that the circulation of the interest-bearing legal tenders and "the seven-thirties" was only partial (*vide* pages 28 and 33 inclusive). Mr. Fawcett estimates the amount of these issues that would not circulate at \$500,000,000, and lays much stress on the point that years of apparent prosperity followed their retirement, which took place by 1869, whereas the "hard times" did not commence until 1873. The figures which are quoted from his book as his table of "currency" for 1865 do not bear any heading which justifies the use made of them; the caption of the column from which they are taken is this (p. 34):

Total of bank notes and of unfunded Government debt circulating to any extent as money each year.

This language makes it evident that Mr. Fawcett did not intend his figures to represent merely the actual "currency" of any given year, but all the issues which were represented in the "currency," by any "circulation," however limited and partial it might be. Mr. Fawcett's estimate of the extent of this latter kind of "circulation" is undoubtedly excessive, and is not borne out by contemporaneous evidence, as will be hereafter shown, but his appreciation of the financial principles involved is clear, and he is careful to make the distinction between issues like the greenbacks, which were "currency"

in the full sense of the term, and those which possessed the "currency" attribute to a limited extent merely.

5. The most important piece of evidence advanced to sustain "the two billions" claim, is this letter written two years ago by the well-known ex-Treasurer of the United States to the Chicago *Journal of Commerce* :

MOHAWK, August 17, 1876.

DEAR SIRs—Your letter of the 15th inst. has been received. In answer I have to say that the 7-80 Treasury notes were intended, prepared, issued, and used as currency.

Very respectfully yours,

F. E. SPINNER.

Mr. Spinner's reputation and experience have made this brief note very available for the purposes for which it is chiefly used, viz : Accepting its sweeping statement as constituting a sufficient reason for treating every dollar of "the seven thirties" of all issues as part of "the currency of 1865." Mr. Spinner is a gentleman whose intention to tell the truth cannot be questioned, but that this note of his is not true is absolutely proved by the cotemporaneous evidence. Some of "the seven-thirties" were used as "currency" and this fact furnishes the chief basis for the flat declaration of his note. Undoubtedly the lapse of time has impaired the accuracy of Mr. Spinner's recollections, for his statement is flatly contradicted by all the official reports of the years during which "the seven thirties" were being issued, *including his own*. His reports, as Treasurer, record the issuing and the cancelling and destruction of the various kinds of Government paper handled by his department. Invariably "the seven thirties" appear therein under the head of "securities," and not in any table of "currency" (*vide* reports of the United States Treasurer for 1864-5-6). In the report for 1869 they are for the first time classified with the other "currency" items, but then not in a table of currency, but in one carefully headed : "Recapitulation of all kinds of Government paper that were issued as money, *or that were ever in any way used as a circulating medium*." With this fact, couple the direct testimony bearing on this matter yet to be produced, and it will appear that Mr. Spinner's recollection (from thirteen to ten years old) as to this single feature of the enormous financial transactions of the Government, which devolved upon him so vast an amount of labor, is entirely at fault.

THE DIRECT PROOF THAT THESE ISSUES HAD BUT A LIMITED CIRCULATION AS "CURRENCY."

There can be no question in a dispute of this kind as to the conclusive character of any volume of concurrent cotemporaneous

evidence that can be found. In 1864-5-6 "the currency" was not a conspicuous element in political agitation. The great issues of the war were then absorbing public attention, and there were no partisan divisions or questions connected with the circulating medium. There was thus no temptation existing for any misstatement of the situation, nor could any advantage then follow therefrom. The official records of those days, when all the facts were fresh and when there was no reason for their concealment or distortion, must outweigh with rational men any amount of unfortified assertions and claims put forward to-day, when public prejudice can be stimulated and party ends served by misrepresentation. Such cotemporaneous evidence is abundant, and comes from the most diverse sources. It points only in one direction, however, as will appear from the following:

1. The *official* evidence is easily accessible to all seekers after the truth, and very conclusive in its character. On page 9 of the Finance Report for 1865, the Secretary of the Treasury says:

The paper circulation of the United States on the 31st of October, was substantially as follows:

United States notes and fractional currency.....	\$454,218,088.20
Notes of National banks.....	185,000,000.00
Notes of State banks, including outstanding issues of State banks converted into National banks.....	65,000,000.00
Total.....	\$704,218,088.20

In addition to the United States notes, there were also outstanding \$82,586,900, five per cent. Treasury notes, and \$173,012,140 compound interest notes, *of which it would doubtless be safe to estimate that \$30,000,000 were in circulation as currency.* From this statement it appears that, without including seven and three-tenths notes, many of the small denominations of which were in circulation as money, and all of which tend in some measure to swell the inflation, the paper money of the country amounted on the 31st of October, to the sum of \$734,218,088.20.

These figures, be it remembered, appear in a report which was devoted to urging contraction as a national policy, and which argued by the page that the currency was greatly inflated. Naturally, therefore, the Secretary included in his currency total all that could properly be classed therein for the purpose of adding to the force of his reasons. Yet he could not figure up the sum of \$800,000,000 as currency outstanding, and speaks afterward (on page 11 *ibid*) of the "circulation as having reached the startling amount of upwards of \$700,000,000"—not \$2,000,000,000. It will be seen that of the compound interest notes and five per cents he computed about one-seventh as part of the "circulation;" as to "the seven-thirties" he gives no figures, but says "many of the small denominations were in

circulation as money." The small denominations of these notes were \$50. and \$100 bills, of which the total paid out was not much in excess of \$182,000,000. It is not reasonable to suppose that a greater percentage of these notes, with their high interest, could get into circulation than of the "five per cents" and the compound interest notes, and therefore it is safe to say that \$10,000,000 is a reasonable and \$20,000,000 a very liberal estimate of the contribution from this source to the currency aggregate of 1865.

The report of the Comptroller of the Currency for the same year is also devoted to urging the policy of contraction, and is carefully written to demonstrate the immensity of the inflation then prevailing. On pages 63 and 64 (Finance Report of 1865) he makes a careful analysis of the volume of the currency in December of that year, of which the following are the essential features: He first computes "the available currency of the country" (including the compound interest notes and other interest bearing legal tenders, and national bank notes not yet delivered to the banks for issue) at \$960,167,326. From this total he then proceeds to make the following deductions:

Amount of national currency delivered to the banks but not in circulation.....	\$ 19,525,152
National circulation not delivered to the banks.....	109,152,945
Legal tender notes held by banks including \$74,261,847 compound interest notes	193,094,865
Compound interest notes, other than held by banks, mostly held as investments by insurance and trust companies and savings banks, less say \$10,000,000 in actual circulation.....	121,814,195
Currency in the treasury.....	56,236,440
Total.....	\$499,323,097

This table (compiled on a different basis of deductions from those usually employed in making up currency statistics) is useful for the present purpose, in that it affords further proof of the fact that the interest-bearing legal tenders were in 1865 chiefly held by banks and other monied corporations as investments, and that only a small percentage of them (placed by the Comptroller at \$10,000,000) were actually part of the "currency." On page 66 of the same report the Comptroller still further says:

As a first step to be taken towards a reduction of the Government issues used as currency, sound policy would indicate the conversion of all the interest-bearing legal tender notes into 5-20 six per cent. bonds. *It is believed that the slight contraction caused by such conversion would be scarcely perceptible, more especially at this time, as it is not probable that more than five per cent. of the above issue is now in active circulation.* It would be simply exchanging one security held as an investment for another.

These quotations could be still further amplified, if that were necessary. But that necessity cannot arise until some cotemporane-

own official testimony of a contradictory character can be produced; it may be safely asserted that it cannot be found.

2. The newspaper files of 1865 also shed material light on this subject. There can have been no reason why their monetary and editorial columns should not have presented the facts concerning the volume of the currency precisely as they were, for misrepresentation then was both causeless and certain of detection. And when there is found to be a substantial agreement between the newspapers of that day of all parties and the official reports, the cumulative evidence is simply unanswerable. The following are the results of the examination of a file of the *New York Semi-Weekly Tribune* for the latter half of 1865:

In an editorial on the currency question published on August 4, 1865, these statements were made:

Of "legal tender" afloat there is not quite \$700,000,000; but over \$250,000,000 of this consists of notes on interest, *which have been mainly hoarded for presentation when due. Practically the amount of our currency does not exceed \$500,000,000*, to which add the National bank notes in circulation, and the aggregate is less than \$700,000,000.

In an editorial on a Treasury Report, published on Tuesday, September 5, 1865, are these statements:

The compound interest notes only serve as a temporary currency. For the first year of their issue, they float about at par, but afterward become absorbed by shrewd investors. * * * We shall have "the seven-thirties" to pay (in 1868-9) and other securities of short date.

Let it be noted that "the seven-thirties" are classed with securities; they are dealt with uniformly in this manner in the monetary columns of the same paper; so also in the advertisements of Jay Cooke, who was then disposing of them by subscription among the people.

In *The Semi-Weekly Tribune* of Friday, November 3, in an article on "Debt, Finance and Currency," bearing all the marks of Mr. Greeley's vigorous pen, appears this paragraph:

The aggregate of legal tenders in circulation is as follows:

	Oct. 30.	Sept. 30.
Five per cents.....	\$ 32,639,901	\$ 32,954,280
U. S. notes (old).....	392,070	392,070
U. S. notes (new).....	427,768,409	427,768,409
Compound interest notes.....	173,012,141	217,012,141
Total.....	\$633,812,521	\$678,126,900

The compound interest notes are practically withdrawn from circulation, reducing the volume of our currency by nearly \$200,000,000. But, including these, our aggregate currency is very nearly as follows:

Government legal tenders.....	\$688,812,521
National bank notes.....	208,877,355
State bank notes (about).....	60,000,000
Total currency.....	\$897,689,876

This article was devoted to an appeal for a vigorous contraction policy, and the existing "inflation" was therefore put by Mr. Greeley in its strongest possible light. Yet his total of currency, after including issues that he himself admitted were "practically withdrawn from circulation," fell over \$1,100,000,000 short of the alleged "two billions."

The financial article in the issue of the same paper for December 5, 1865, gives the following statement of the total "currency" outstanding:

Five per cent. legal tenders.....	\$32,536,901.00
United States notes, old issue.....	392,970.00
United States notes, new issue (greenbacks).....	426,349,826.00
Compound interest notes.....	167,012,141.00
National bank notes.....	221,230,115.00
State bank notes.....	55,000,000.00
Total.....	\$902,521,453.00

And the editorial columns of December 8 (the next issue), speak of the compound interest notes as being "mostly held as investments," and of \$30,000,000 as the amount of interest bearing legal tenders then "actually in circulation."

To make this exhibit still more convincing there is added the following extract from a letter of Henry C. Carey, a standard authority with the advocates of an "irredeemable currency," to Schuyler Colfax, dated February 13, 1865, and discussing the volume of the currency:

"What, in the meantime, had been the course of the Treasury in regard to the issue of legal tender notes? For a reply to this question I must refer you to the following figures exhibiting the state of that portion of the public debt on the 1st of November last:

I. Of greenbacks, the amount then outstanding was.....	\$433,000,000
II. Of one-year notes.....	43,000,000
III. Of two-year notes.....	16,000,000
IV. Of two-year coupon notes.....	61,000,000
V. Of three-year notes.....	102,000,000
Total.....	\$655,000,000

"The amount is here shown to have been greater by about \$150,000,000 than it had been a year before, but of this how much was there that really remained in circulation? At the present moment, as I am assured, two-thirds of Nos. II, III, and IV, have been absorbed by individuals and institutions, and have ceased to constitute any portion of the circulation. Such, likewise, is the case with a portion of No. V. Admitting now, the quantity since issued of this last to be equal to the amount of the others

so absorbed in the last three months, we obtain, as a deduction from the above apparent circulation, the large sum of \$80,000,000, and thus reduce the real amount to \$575,000,000. Is this, however, all the reduction needed to be made? By no means! Throughout this period banks have been parting with their gold and substituting for it United States notes, both demand and interest-bearing, and individuals to a vast extent, have followed their example. The farmer pays for what he needs in local notes, but he puts aside his "greenbacks." The miner and the mechanic—the laborer and the village shopkeeper—the soldier and the sailor—the immigrant who is seeking to invest his little capital, and the sempstress who is trying to accumulate the means with which to purchase a sewing machine—all of these have been hoarders of "greenbacks" which have thus been withdrawn from circulation, and have, for the time being, no more influence upon either the gold or produce markets than they would have, had they been altogether blotted out of existence. Adding now together all these qualities we shall, as I think, readily obtain the sum of \$75,000,000, and thus reduce the actual Treasury circulation, to the precise point at which it stood at the close of 1863."

Again, in his series of letters to Mr. McCulloch, written in February, 1866, on "Contraction or Expansion," Mr. Cary said (pages 17 and 18 of his pamphlet on the subject, published by H. C. Baird & Co., Phila.):

The interest bearing legal tenders may somewhat have increased, but, *having been steadily withdrawn from circulation as they grow in value*, the increase cannot have been very great. Further than this, the high price of gold having withdrawn from it all the private hoards of the country, the hoarding of "greenbacks" had not only now commenced, but had made such progress as to constitute an important element in the estimate here, for the close of the year, to be made of the "paper money" then outstanding. Allowing for all these circumstances, the highest estimate of the circulation that could now be made would scarcely, as I think, exceed \$750,000,000.

The production of this kind of unanswerable testimony as to the limited character of the interest-bearing legal tenders could be continued indefinitely, but enough has been already adduced to prove the absolute falsehood of "the two billions of currency" claim, and it only remains to state

THE CONCLUSIONS

which this comprehensive examination of the subject justify. They are these:

a. It is true that in 1865 the national banks held in their lawful reserves many interest-bearing legal tenders; that now they are compelled to hold "greenbacks" proper; and that, therefore, for purposes of just comparison between the two periods, the amount of these reserves (which released an equal amount of "greenbacks") should figure in the "currency" table of 1865. The total amount of these bank reserves in legal tender notes of all kinds on October 1, 1865 (*vide* page 64, Comp. of Cur. Report of 1865), was \$59,295,704, and for the purposes of this examination, and with the view of giving

the opposing side the benefit of every doubt, they will be treated as *all* interest-bearing legal tenders.

b. The statements we have quoted make it clear that the total of other interest-bearing legal tender notes that should figure in any table of the real "currency" for 1865, by reason of their being in actual circulation as currency among the people, would not exceed \$50,000,000. This is an excessive estimate made to cover any contingency; if changed at all, it should be changed by reduction.

These then are the facts as to the real volume of the currency in 1865, giving to those who argue that there has been an "enormous contraction" the benefit of every doubt:

Table of undisputed items.....	\$707,693,794.76
Interest-bearing legal tenders, etc., in actual circulation.....	50,000,000.00
The same in bank reserves.....	59,295,704.00

Total.....	\$816,989,498.76
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These figures would probably be nearer right if they were some tens of millions less, but there is absolutely no ground for claiming that they should be one cent more. "The two billions" story is the purest possible fiction, and nearly \$1,200,000,000 out of the way. The margin for the real "contraction" since 1865 is the difference between the above figures and the total of "the currency for 1878" already given (\$735,258,989.52), and of that margin almost \$50,000,000 is due to the natural "contraction" in the volume of "greenbacks" and "bank notes" which has taken place since 1874 under the operations of the free banking provisions of the Resumption act.

It will be noticed that these conclusions are based wholly upon official and other records, published before the present financial discussion was commenced, and to which such references are given as to make the verification of all quotations, etc., a matter of no difficulty.

THE CURRENCY.

The Statutes Relating to Loans and Currency Since 1861.

A Full Text of all the Important Sections of Every Law Passed [by Congress, During and Since the War, Relating to any Issue of United States Currency, Treasury Notes, or Bonds—Something that Every Reflecting Voter Should Preserve for Reference.

THE ACT OF JULY 17, 1861.

[Under this act were issued the six per cent. bonds now known as "The Loan of July and August, 1861," "The Seven-thirties of 1861," and "The Demand Notes."]

AN ACT TO AUTHORIZE A NATIONAL LOAN, AND FOR OTHER PURPOSES.—Vol. XII., p. 259, Stat. at Large.

SECTION 1. That the Secretary of the Treasury be, and he is hereby, authorized to borrow on the credit of the United States, within twelve months from the passage of this act, a sum not exceeding two hundred and fifty millions of dollars, or so much thereof as he may deem necessary for the public service, for which he is authorized to issue coupon bonds, or registered bonds, or Treasury notes, in such proportions of each as he may deem advisable; the bonds to bear interest not exceeding seven per centum per annum, payable semi-annually, irredeemable for twenty years, and after that period redeemable at the pleasure of the United States; and the Treasury notes to be of any denomination fixed by the Secretary of the Treasury, not less than \$50, and to be payable three years after date, with interest at the rate of 7 3-10 per centum per annum, payable semi-annually. And the Secretary of the Treasury may also issue in exchange for coin, and as part of the above loan, or may pay for salaries or other dues from the United States, Treasury notes of a less denomination than \$50, not bearing interest, but payable on demand by the Assistant Treasurers

of the United States at Philadelphia, New York or Boston, or Treasury notes bearing interest at the rate of 8 65-100 per centum, payable in one year from date, and exchangeable at any time for Treasury notes for \$50 and upwards, issuable under the authority of this act, and bearing interest as specified above: *Provided*, That no exchange of such notes in any less amount than \$100 shall be made at any one time: *And provided further*, That no Treasury notes shall be issued of a less denomination than \$10, and that the whole amount of Treasury notes, not bearing interest, issued under the authority of this act, shall not exceed \$50,000,000.

SEC. 2 is devoted to prescribing how the various notes and bonds shall be signed, issued and made transferable.

SEC. 3. And be it further enacted, That the Secretary of the Treasury shall cause books to be opened for subscription to the Treasury notes for \$50 and upwards at such places as he may designate in the United States, and under such rules and regulations as he may prescribe, to be superintended by the Assistant Treasurers of the United States at their respective localities, and at other places by such depositaries, postmasters and other persons as he may designate, notice thereof being given in at least two daily papers of this city, and in one or more public newspapers published in the several places where subscription books may be opened; and subscriptions for such notes may be received from all persons who may desire to subscribe, any law to the contrary notwithstanding; and if a larger amount shall be subscribed in the aggregate than is required at one time, the Secretary of the Treasury is authorized to receive the same, should he deem it advantageous to the public interest; and if not, he shall accept the amount required by giving the preference to the smaller subscriptions; [after providing for compensation for the officers receiving subscriptions, and for the receipt of the moneys realized therefrom, the act continues:] And the Secretary of the Treasury is also authorized, if he shall deem it expedient, before opening books of subscription as above provided, to exchange for coin, or pay for public dues or for Treasury notes of the issue of 23d of December, 1857, and falling due on the 30th of June, 1861, or for Treasury notes issued and taken in exchange for such notes, any amount of said Treasury notes for \$50 or upwards, not exceeding \$100,000,000.

SEC. 4 provides that proposals for the loan shall be published, and the most favorable offers accepted, but at not less than par.

SEC. 5 provides that a portion of this loan not exceeding \$100,000,000 may be negotiated in a foreign country, and prescribes the regulations therefor.

SEC. 6. That whenever any Treasury notes of a denomination less than \$50, authorized to be issued by this act, shall have been redeemed, the Secretary of the Treasury may reissue the same or may cancel them and issue new notes to an equal amount: *Provided*, That the aggregate amount of bonds and Treasury notes issued under the foregoing provisions of this act shall never exceed the full amount authorized by the first section of this act; and the power to issue or reissue such notes shall cease and determine after the 31st of December, 1862.

SEC. 7. That the Secretary of the Treasury is hereby authorized, whenever he shall deem it expedient, to issue in exchange for coin, or in payment of public dues, Treasury notes of any of the denominations hereinbefore specified, bearing interest not exceeding six per centum per annum, and payable at any time not exceeding twelve months from date, provided that the amount of notes so issued, or paid, shall at no time exceed \$20,000,000.

SEC. 8 provides that the Secretary of the Treasury shall report to Congress his proceedings under this act.

SEC. 9. That the faith of the United States is hereby solemnly pledged for the payment of the interest and redemption of the principal of the loan authorized by this act.

SEC. 10. That all the provisions of the act entitled "An act to authorize the issue of Treasury notes," approved the twenty-third day of December, eighteen hundred and fifty-seven, so far as the same can or may be

applied to the provisions of this act, and not inconsistent therewith, are hereby revived or re-enacted.

THE ACT OF AUGUST 5, 1861.

[This act is supplementary to the foregoing, and relates to precisely the same issues.]

AN ACT SUPPLEMENTARY TO AN ACT ENTITLED "AN ACT TO AUTHORIZE A NATIONAL LOAN, AND FOR OTHER PURPOSES."—Vol. XII. p. 313, Stat. at Large.

SECTION 1. That the Secretary of the Treasury is hereby authorized to issue bonds of the United States, bearing interest at 6 per cent. per annum, and payable at the pleasure of the United States after 20 years from date; and if any holder of Treasury notes, bearing interest at the rate of 7 3-10 per cent., which may be issued under the authority of the act to authorize a national loan and for other purposes, approved July 17, 1861, shall desire to exchange the same for said bonds, the Secretary of the Treasury may at any time before or at the maturity of said Treasury notes, issue to said holder, in payment thereof, an amount of said bonds equal to the amount which, at the time of such payment or exchange, may be due on said Treasury notes; but no such bonds shall be issued for a less sum than \$500, nor shall the whole amount of such bonds exceed the whole amount of Treasury notes bearing 7 3-10 per cent interest, issued under said act; and any part of the Treasury notes payable on demand, authorized by said act, may be made payable by the Assistant Treasurer at St. Louis, or by the depositary at Cincinnati.

SEC. 2 relates entirely to the method of making the Treasury notes.

SEC. 3 reduces the lowest denomination of the Treasury notes from \$10 to \$5.

SEC. 4 appropriates \$100,000 more for expenses.

SEC. 5. That the Treasury notes authorized by the act to which this is supplementary, of a less denomination than \$50, payable on demand without interest, and not exceeding in amount the sum of \$50,000,000, shall be receivable in payment of public dues.

SEC. 6 suspended those portions of the sub-treasury act (1846, ch. 90) which would not permit deposits in solvent specie-paying banks, and authorized such deposits.

SEC. 7. That the Secretary of the Treasury may sell or negotiate, for any portion of the loan provided for in the act to which this is supplementary, bonds payable not more than 20 years from date, and bearing interest not exceeding 6 per centum per annum, payable semi-annually, at any rate not less than the equivalent of par, for the bonds bearing 7 per centum interest authorized by said act.

THE ACT OF FEB. 12, 1862.

[This act authorized the issue of \$10,000,000 more of "Demand Notes," making \$60,000,000 in all.]

AN ACT TO AUTHORIZE AN ADDITIONAL ISSUE OF UNITED STATES NOTES.—Vol. XII., p. 338, Stat. at Large.

That the Secretary of the Treasury, in addition to the \$50,000,000 of notes payable on demand, of denominations not less than \$5, heretofore authorized by the acts of July 17 and August 5, 1861, be, and he is hereby authorized to issue like notes, and for like purposes, to the amount of \$10,000,000, and said notes shall be deemed part of the loan of \$250,000,000 authorized by said acts.

THE ACT OF FEB. 25, 1862.

[This act authorized the issue of the first "Greenbacks," of the bonds known as "the 5-20s of 1862," and of the earliest issue of the "Temporary Loan Certificates."]

AN ACT TO AUTHORIZE THE ISSUE OF UNITED STATES NOTES, AND FOR THE REDEMPTION OR FUNDING THEREOF, AND FOR FUNDING THE FLOATING DEBT OF THE UNITED STATES.—Vol XII, p. 345, Stat. at Large.

SECTION 1. That the Secretary of the Treasury is hereby authorized to issue, on credit of the United States, \$150,000,000 of United States notes, not bearing interest, payable to bearer, at the Treasury of the United States, and of such denominations as he may deem expedient, not less than \$5 each: *Provided*, However, that fifty millions of said notes shall be in lieu of the demand Treasury notes authorized to be issued by the act of July 17, 1861; which said demand notes shall be taken up as rapidly as practicable, and the notes herein provided for substituted for them: *And provided further*, That the amount of the two kinds of notes together shall at no time exceed the sum of \$150,000,000, and such notes herein authorized shall be receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the United States, except duties on imports, and of all claims and demands against the United States of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin, and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest as aforesaid. And any holders of said United States notes depositing any sum not less than \$50, or some multiple of \$50, with the Treasurer of the United States, or either of the Assistant Treasurers, shall receive in exchange therefor duplicate certificates of deposit, one of which may be transmitted to the Secretary of the Treasury, who shall thereupon issue to the holder an equal amount of bonds of the United States, coupon or registered, as may by said holder be desired, bearing interest at the rate of six per centum per annum, payable semi-annually, and redeemable at the pleasure of the United States after five years, and payable twenty years from the date thereof. And such United States notes shall be received the same as coin, at their par value, in payment for any loans that may be hereafter sold or negotiated by the Secretary of the Treasury, and may be re-issued from time to time as the exigencies of the public interest shall require.

SEC. 2. That to enable the Secretary of the Treasury to fund the Treasury notes and floating debt of the United States, he is hereby authorized to issue, on the credit of the United States, coupon bonds, or registered bonds, to an amount not exceeding \$500,000,000, redeemable at the pleasure of the United States, after five years, and payable 20 years from date, and bearing interest at the rate of 6 per centum per annum, payable semi-annually. And the bonds herein authorized shall be of such denominations, not less than \$50, as may be determined upon by the Secretary of the Treasury. And the Secretary of the Treasury may dispose of such bonds at any time, at the market value thereof, for the coin of the United States, or for any of the Treasury notes that have been or may hereafter be issued under any former act of Congress, or for United States notes that may be issued under the provisions of this act; and all stocks, bonds, and other securities of the United States held by individuals, corporations, or associations within the United States, shall be exempt from taxation by or under State authority.

SEC. 3 relates to the form of the notes and bonds—their signing, etc., and appropriates \$300,000 for expenses of engraving, etc.

SEC. 4. That the Secretary of the Treasury may receive from any person or persons, or any corporation, United States notes on deposit for not less than 30 days, in sums of not less than \$100, with any of the Assistant Treasurers or designated depositaries of the United States authorized by the Secretary of the Treasury to receive them, who shall issue therefor

certificates of deposit made in such form as the Secretary of the Treasury shall prescribe, and said certificates of deposit shall bear interest at the rate of five per centum per annum; and any amount of United States notes so deposited may be withdrawn from deposit at any time after ten days' notice on the return of said certificates; *Provided*, That the interest on all such deposits shall cease and determine at the pleasure of the Secretary of the Treasury. *And provided further*, That the aggregate of such deposit shall, at no time, exceed the amount of \$25,000,000.

SEC. 5. That all duties on imported goods shall be paid in coin, or in notes payable on demand heretofore authorized to be issued and by law receivable in payment of public dues, and the coin so paid shall be set apart as a special fund, and shall be applied as follows:

1. To the payment in coin of the interest on the bonds and notes of the United States.

2. To the purchase or payment of one per centum of the entire debt of the United States, to be made within each fiscal year after the first day of July, 1862, which is to be set apart as a sinking fund, and the interest of which shall, in like manner, be applied to the purchase or payment of the public debt as the Secretary of the Treasury shall, from time to time, direct.

3. The residue thereof to be paid into the Treasury of the United States.

SEC. 6 provides penalties for forging, counterfeiting, etc.

SEC. 7 does likewise.

THE ACT OF MARCH 1, 1862.

[By this act the first issue of "Certificates of Indebtedness" was authorized.]

AN ACT TO AUTHORIZE THE SECRETARY OF THE TREASURY TO ISSUE CERTIFICATES OF INDEBTEDNESS TO PUBLIC CREDITORS.—Vol. XII., p. 352, Stat. at Large.

SECTION 1. That the Secretary of the Treasury be and he is hereby authorized to cause to be issued to any public creditor who may be desirous to receive the same, upon requisition of the head of the proper department, in satisfaction of audited and settled demands against the United States, certificates for the whole amount due, or parts thereof not less than one thousand dollars, signed by the Treasurer of the United States, and countersigned as may be directed by the Secretary of the Treasury; which certificates shall be payable in one year from date or earlier, at the option of the Government, and shall bear interest at the rate of six per centum per annum.

THE ACT OF MARCH 17, 1862.

[This act authorized the additional issue of "Temporary Loan Certificates" and "Certificates of Indebtedness," and made the "Demand Notes" a legal tender.]

AN ACT TO AUTHORIZE THE PURCHASE OF COIN AND FOR OTHER PURPOSES.—Vol. XII., p. 370, Stat. at Large.

SECTION 1. That the Secretary of the Treasury may purchase coin with any of the bonds or notes of the United States, authorized by law, at such rates and upon such terms as he may deem most advantageous to the public interest; and may issue, under such rules and regulations as he may prescribe, certificates of indebtedness, such as are authorized by an act entitled "An act to authorize the Secretary of the Treasury to issue certificates of indebtedness to public creditors," approved March 1, 1862, to

such creditors as may desire to receive the same in discharge of checks drawn by disbursing officers upon sums placed to their credit on the books of the Treasurer, upon requisitions of the proper departments, as well as in discharge of audited and settled accounts, as provided by said act.

Sec. 2. That the demand notes authorized by the act of July 17, 1861, and by the act of February 12, 1862, shall, in addition to being receivable in payment of duties on imports, be receivable, and shall be lawful money and a legal tender, in like manner, and for the same purposes, and to the same extent, as the notes authorized by an act entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862.

Sec. 3. That the limitation upon temporary deposits of United States notes with any Assistant Treasurers or designated depositaries, authorized by the Secretary of the Treasury to receive such deposits, at 5 per cent. interest, to \$25,000,000, shall be so far modified as to authorize the Secretary of the Treasury to receive such deposits to an amount not exceeding \$50,000,000, and that the rates of interest shall be prescribed by the Secretary of the Treasury not exceeding the annual rate of 5 per centum.

Sec. 4. That, in all cases where the Secretary of the Treasury is authorized by law to reissue notes, he may replace such as are so mutilated or otherwise injured as to be unfit for use with others of the same character and amount; and such mutilated notes, and all others which by law are required to be taken up and not reissued, shall, when so replaced, or taken up, be destroyed in such manner and under such regulations as the Secretary of the Treasury may prescribe.

THE ACT OF JULY 1, 1862.

[This relates entirely to the Pacific Railroad, and we give only those sections providing for the issue of bonds to those corporations.]

SECTION 5. That for the purposes herein mentioned the Secretary of the Treasury shall, upon the certificate in writing of said commissioners of the completion and equipment of 40 consecutive miles of said railroad and telegraph, in accordance with the provisions of this act, issue to said company bonds of the United States of \$1,000 each, payable in 30 years after date, bearing six per centum per annum interest (said interest payable semi-annually), which interest may be paid in United States Treasury notes or any other money or currency which the United States have or shall declare lawful money and a legal tender, to the amount of 16 of said bonds per mile for such section of 40 miles; and to secure the repayment to the United States, as hereinafter provided, of the amount of said bonds so issued and delivered to said company, together with all interest therein which shall have been paid by the United States, the issue of said bonds and delivery to the company shall *ipso facto* constitute a first mortgage on the whole line of the railroad and telegraph together with the rolling stock, fixtures and property of every kind and description, and in consideration of which said bonds may be issued; and on the refusal or failure of said company to redeem said bonds, or any part of them, when required so to do by the Secretary of the Treasury, in accordance with the provisions of this act, the said road, with all the rights, functions, immunities and appurtenances thereunto belonging, and also all lands granted to the said company, by the United States, which, at the time of said default shall remain in the ownership of said company, may be taken possession of by the Secretary of the Treasury, for the use and benefit of the United States. *Provided*, This section shall not apply to that part of any road now constructed.

Sec. 6. That the grants aforesaid are made upon condition that said company shall pay said bonds at maturity, and shall keep said railroad and

telegraph line in repair and use, and shall at all times transmit dispatches over said telegraph line, and transport mails, troops, munitions of war, supplies and public stores upon said railroad for the Government, whenever required to do so by any department thereof, and that the Government shall at all times have the preference in the use of the same for all the purposes aforesaid (at fair and reasonable rates of compensation, not to exceed the amounts paid by private parties for the same kind of service); and all compensation for services rendered for the Government shall be applied to the payment of said bonds and interest until the whole amount is fully paid. Said company may also pay the United States, wholly or in part, in the same or other bonds, Treasury notes, or other evidences of debt against the United States, to be allowed at par; and after said road is completed, until said bonds and interest are paid, at least five per centum of the net earnings of said road shall also be annually applied to the payment thereof.

THE ACT OF JULY 11, 1862.

[This act authorizes the further issue of "Greenbacks" and of "Certificates of Indebtedness."]

AN ACT TO AUTHORIZE AN ADDITIONAL ISSUE OF UNITED STATES NOTES, AND FOR OTHER PURPOSES.—Vol. XII., p. 532, Stat. at Large.

SECTION 1. That the Secretary of the Treasury is hereby authorized to issue, in addition to the amounts heretofore authorized, on the credit of the United States, \$150,000,000 of United States notes, not bearing interest payable to bearer at the Treasury of the United States, and of such denominations as he may deem expedient: *Provided*, That no note shall be issued for the fractional part of a dollar, and not more than \$35,000,000 shall be of lower denominations than \$5; and such notes shall be receivable in payment of all loans made to the United States, and of all taxes, internal duties, excises, debts, and demands of every kind due to the United States, except duties on imports and interest, and of all claims and demands against the United States, except for interest upon bonds, notes, and certificates of debt or deposit; and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest, as aforesaid. And any holder of said United States notes depositing any sum not less than \$50, or some multiple of \$50, with the Treasurer of the United States, or either of the Assistant Treasurers, shall receive in exchange therefor duplicate certificates of deposit, one of which may be transmitted to the Secretary of the Treasury, who shall thereupon issue to the holder an equal amount of bonds of the United States, coupon or registered, as may by said holder be desired, bearing interest at the rate of six per centum per annum, payable semi-annually, and redeemable at the pleasure of the United States after five years, and payable twenty years from the date thereof: *Provided, however*, That any notes issued under this act may be paid in coin, instead of being received in exchange for certificates of deposit, as above specified, at the direction of the Secretary of the Treasury. And the Secretary of the Treasury may exchange for such notes, on such terms as he shall think most beneficial to the public interest, any bonds of the United States bearing six per centum interest, and redeemable after five and payable in twenty years, which have been or may be lawfully issued under the provisions of any existing act; may reissue the notes so received in exchange; may receive and cancel any notes heretofore lawfully issued under any act of Congress, and in lieu thereof issue an equal amount in notes such as are authorized by this act; and may purchase, at rates not exceeding that of the current market, and cost of purchase not exceeding one-eighth of one per centum, any bonds or certificates of debt of the United States as he may deem advisable.

SEC. 2 relates to the details of printing.

SEC. 3. That the limitation upon temporary deposits of United States notes with any Assistant Treasurer, or designated depository authorized by the Secretary of the Treasury to receive such deposits to \$50,000,000 be and is hereby repealed; and the Secretary of the Treasury is authorized to receive such deposits, under such regulations as he may prescribe, to such amount as he may deem expedient, not exceeding \$100,000,000, for not less than 30 days, in sums not less than \$100, at a rate of interest not exceeding five per centum per annum; and any amount so deposited may be withdrawn from deposit, at any time after 10 days' notice, on the return of the certificates of deposit. And of the amount of United States notes authorized by this act, not less than \$50,000,000 shall be reserved for the purpose of securing prompt payment of such deposits when demanded, and shall be issued and used only when, in the judgment of the Secretary of the Treasury, the same or any part thereof may be needed for that purpose. And certificates of deposit and of indebtedness issued under this or former acts may be received on the same terms as United States notes in payment for bonds redeemable after five and payable in twenty years.

SEC. 4. That the Secretary of the Treasury may, at any time, until otherwise ordered by Congress, and under the restrictions imposed by the "Act to authorize a national loan, and for other purposes," borrow, on the credit of the United States, such part of the sum of \$250,000,000 mentioned in said act as may not have been borrowed, under the provisions of the same, within twelve months from the passage thereof.

SEC. 5 relates to counterfeiting.

SEC. 6 makes the provisions of the act of February 25, 1862, applicable to this act.

THE ACT OF JULY 17, 1862.

[This was the act under which the "Postal Currency" was issued.]

AN ACT TO AUTHORIZE PAYMENTS IN STAMPS AND TO PROHIBIT CIRCULATION OF NOTES OF LESS DENOMINATION THAN ONE DOLLAR.—Vol. XII., p. 592, Stat. at Large.

SECTION 1. That the Secretary of the Treasury is hereby directed to furnish to the Assistant Treasurers, and such designated depositories of the United States as may be by him selected, in such sums as he may deem expedient, the postage and other stamps of the United States, to be exchanged by them, on application, for United States notes; and from and after the 1st day of August next such stamps shall be receivable in payment of all dues to the United States less than \$5, and shall be received in exchange for United States notes, when presented to any Assistant Treasurer or any designated depository, in sums not less than \$5.

SEC. 2. That from and after the 1st day of August, 1862, no private corporation, banking association, firm or individual shall make, issue, circulate or pay any note, check, memorandum, token or other obligation, for a sum less than \$1, intended to circulate as money or to be received or used in lieu of lawful money of the United States; and every person so offending shall, on conviction thereof, in any district or circuit court of the United States, be punished by fine not exceeding \$500, or by imprisonment not exceeding six months, or by both, at the option of the court.

THE RESOLUTION OF JANUARY 17, 1863.

[This resolution authorizes the issue of \$100,000,000 in "Greenbacks" for immediate use.]

JOINT RESOLUTION TO PROVIDE FOR THE IMMEDIATE PAYMENT OF THE ARMY AND NAVY OF THE UNITED STATES.—Vol. XII, p. 822, Stat. at Large.

WHEREAS, It is deemed expedient to make immediate provision for the payment of the army and navy, therefore,

Be it resolved, etc., That the Secretary of the Treasury be and he is hereby authorized, if required by the exigencies of the public service, to issue on the credit of the United States the sum of \$100,000,000 of United States notes, and in such form as he may deem expedient, not bearing interest, payable to bearer on demand, and of such denominations, not less than \$1, as he may prescribe, which notes so issued shall be lawful money and a legal tender, like the similar notes heretofore authorized, in payment of all debts, public and private, within the United States, except for duties on imports and interest on the public debt; and the notes so issued shall be part of the amount provided for in any bill now pending for the issue of Treasury notes, or that may be passed hereafter by this Congress.

THE ACT OF MARCH 3, 1863.

[This act authorized still further issues of "Greenbacks" and "Certificates of Indebtedness," and constituted the authority for the issue of the bonds known as "the Loan of 1863," for the "One and Two-year five per cents," for the "Compound Interest Notes of 1863," for the "Coin Certificates," and for the "Fractional Currency."]

AN ACT TO PROVIDE WAYS AND MEANS FOR THE SUPPORT OF THE GOVERNMENT.—Vol. XII, p. 709, Stat. at Large.

SECTION 1. That the Secretary of the Treasury be and he is hereby authorized to borrow, from time to time, on the credit of the United States, a sum not exceeding \$300,000,000 for the current fiscal year, and \$600,000,000 for the next fiscal year, and to issue therefor coupon or registered bonds, payable at the pleasure of the Government after such periods as may be fixed by the Secretary, not less than 10 nor more than 40 years from date, in coin, and of such denominations not less than \$50 as he may deem expedient, bearing interest at a rate not exceeding six per cent. per annum, payable on bonds not exceeding \$100, annually, and on all other bonds semi-annually, in coin; and he may, in his discretion, dispose of such bonds at any time, upon such terms as he may deem most advisable, for lawful money of the United States, or for any of the certificates of indebtedness, or deposit that may at any time be unpaid, or for any of the Treasury notes heretofore issued or which may be issued under the provisions of this act. And all the bonds and Treasury notes or United States notes issued under the provisions of this act shall be exempt from taxation by or under State or municipal authority; *Provided*, That there shall be outstanding of bonds, Treasury notes or United States notes, at any time, issued under the provisions of this act, no greater amount altogether than the sum of \$900,000,000.

SEC. 2. That the Secretary of the Treasury be and he is hereby authorized to issue, on the credit of the United States, \$400,000,000 in Treasury notes, payable at the pleasure of the United States, or at such times not exceeding three years from date as may be found most beneficial to the public interests, and bearing interest at a rate not exceeding 6 per cent. per annum, payable at periods expressed on the face of said Treasury notes; and the interest on the said Treasury notes and on certificates of indebtedness and deposits hereafter issued, shall be paid in lawful money. The Treasury notes thus issued shall be of such denomination as the Secretary may direct, not less than \$10, and may be disposed of on the best terms.

that can be obtained, or may be paid to any creditor of the United States willing to receive the same at par. And said Treasury notes may be made a legal tender to the same extent as United States notes, for their face value, excluding interest; or they may be made exchangeable under regulations prescribed by the Secretary of the Treasury, by the holder thereof, at the Treasury in the city of Washington, or at the office of any assistant treasurer or depositary designated for that purpose, for United States notes equal in amount to the Treasury notes offered for exchange, together with the interest accrued and due thereon at the date of interest payment next preceding such exchange. And, in lieu of any amount of said Treasury notes thus exchanged, or redeemed or paid at maturity, the Secretary may issue an equal amount of other Treasury notes; and the Treasury notes so exchanged, redeemed, or paid shall be canceled and destroyed as the Secretary may direct. In order to secure certain and prompt exchanges of United States notes for Treasury notes, when required as above provided, the Secretary shall have power to issue United States notes to the amount of \$150,000,000, which may be used if necessary for such exchanges; but no part of the United States notes authorized by this section shall be issued for, or applied to, any other purposes than said exchanges; and, whenever any amount shall have been so issued and applied, the same shall be replaced, as soon as practicable, from the sales of Treasury Notes for United States notes.

SEC. 3. That the Secretary of the Treasury be, and he is hereby, authorized, if required by the exigencies of the public service, for the payment of the army and navy, and other creditors of the Government, to issue on the credit of the United States the sum of \$150,000,000 of United States notes, including the amount of such notes heretofore authorized by the joint resolution approved January 17, 1863, in such form as he may deem expedient, not bearing interest, payable to bearer, and of such denominations, not less than \$1, as he may prescribe, which notes so issued shall be lawful money and a legal tender in payment of all debts, public and private, within the United States, except for duties on imports and interest on the public debt; and any of the said notes, when returned to the Treasury, may be reissued from time to time as the exigencies of the public service may require. And in lieu of any of said notes, or any other United States notes, returned to the Treasury and cancelled or destroyed, there may be issued equal amounts of United States notes, such as are authorized by this act. And so much of the act to authorize the issue of United States notes, and for other purposes, approved February 25, 1862, and of the act to authorize an additional issue of United States notes, and for other purposes, approved July 11, 1862, as restricts the negotiation of bonds to market value, is hereby repealed. And the holders of United States notes, issued under and by virtue of said acts, shall present the same for the purpose of exchanging the same for bonds, as therein provided, on or before the first day of July, 1863, and thereafter the right so to exchange the same shall cease and determine.

SEC. 4. That in lieu of postage and revenue stamps for fractional currency, and of fractional notes, commonly called postage currency, issued or to be issued, the Secretary of the Treasury may issue fractional notes of like amounts in such form as he may deem expedient, and may provide for the engraving, preparation and issue thereof in the Treasury Department building. And all such notes issued shall be exchangeable by the Assistant Treasurers and designated depositaries for United States notes, in sums not less than three dollars, and shall be receivable for postage and revenue stamps, and also in payment of any dues to the United States less than five dollars, except duties on imports, and shall be redeemed on presentation at the Treasury of the United States in such sums and under such regulations as the Secretary of the Treasury shall prescribe: *Provided*, That the whole amount of fractional currency issued, including postage and revenue stamps issued as currency, shall not exceed \$50,000,000.

SEC. 5. That the Secretary of the Treasury is hereby authorized to receive deposits of gold coin and bullion with the Treasurer or any Assist-

ant Treasurer of the United States, in sums not less than \$20 and to issue certificates therefor, in denominations of not less than \$20 each, corresponding with the denominations of the United States notes. The coin and bullion deposited for or representing the certificates of deposit shall be retained in the Treasury for the payment of the same on demand. And certificates representing coin in the Treasury may be issued in payment of interest on the public debt, which certificates, together with those issued for coin and bullion deposited, shall not at any time exceed 20 per cent. beyond the amount of coin and bullion in the Treasury; and the certificates for coin or bullion in the Treasury shall be received at par in payment for duties on imports.

SEC. 6 relates to the form, signature, etc., of the various notes and bonds.

SEC. 7 relates entirely to the duty on bank circulation, etc., after April 1, 1863.

SEC. 8 relates to counterfeiting, and appropriates \$600,000 to meet the expenses of the act.

THE ACT OF MARCH 3, 1864.

[This act authorized the issue of the bonds known as the "Ten-forties of 1864," and extended the scope of the provisions of the act of February 25, 1862.]

AN ACT SUPPLEMENTARY TO AN ACT ENTITLED "AN ACT TO PROVIDE WAYS AND MEANS FOR THE SUPPORT OF THE GOVERNMENT," APPROVED MARCH 3, 1863—Vol. XIII., p. 13, Stat. at Large.

SECTION 1. That in lieu of so much of the loan authorized by the act of March 3, 1863, to which this is supplementary, the Secretary of the Treasury is authorized to borrow, from time to time, on the credit of the United States, not exceeding \$200,000,000 during the current fiscal year, and to prepare and issue therefor coupon or registered bonds of the United States, bearing date March 1, 1864, or any subsequent period, redeemable at the pleasure of the Government after any period not less than five years, and payable at any period not more than forty years from date, in coin, and of such denominations as may be found expedient, not less than \$50, bearing interest not exceeding 6 per cent. a year, payable on bonds not over \$100, annually, and on all other bonds semi-annually, in coin; and he may dispose of such bonds at any time, and on such terms, as he may deem most advisable, for lawful money of the United States, or, at his discretion, for Treasury notes, certificates of indebtedness, or certificates of deposit, issued under any act of Congress; and all bonds issued under this act shall be exempt from taxation by or under State or municipal authority. And the Secretary of the Treasury shall pay the necessary expenses of the preparation, issue, and disposal of such bonds out of any money in the Treasury not otherwise appropriated, but the amount so paid shall not exceed one-half of 1 per cent. of the amount of the bonds so issued and disposed of.

SEC. 2. That the Secretary of the Treasury is hereby authorized to issue to persons who subscribe on or before the 21st day of January, 1864, for bonds redeemable after five years and payable 20 years from date, and have paid into the Treasury the amount of their subscriptions, the bonds by them respectively subscribed for, not exceeding \$11,000,000, notwithstanding that such subscriptions may be in excess of \$500,000,000; and the bonds so issued shall have the same force and effect as if issued under the provisions of the act to "Authorize the Issue of United States notes and for other purposes," approved February 26 (5th), 1862.

THE RESOLUTION OF MARCH 17, 1864.

[This relates merely to the payment of the interest on the public debt.]

JOINT RESOLUTION AUTHORIZING THE SECRETARY OF THE TREASURY TO ANTICIPATE THE PAYMENT OF INTEREST ON THE PUBLIC DEBT, AND FOR OTHER PURPOSES.—Vol. XIII., p. 404, Stat. at Large.

Be it Resolved, etc. That the Secretary of the Treasury be authorized to anticipate the payment of interest on the public debt, by a period not exceeding one year, from time to time, either with or without a rebate of interest upon the coupons, as to him may seem expedient; and he is hereby authorized to dispose of any gold in the Treasury of the United States not necessary for the payment of interest on the public debt; *Provided* that the obligation to create the sinking fund according to the act of February 25, 1862, shall not be impaired thereby.

THE ACT OF JUNE 30, 1864.

[This act established various limitations upon the previously authorized issues of "Temporary Loan Certificates," "Greenbacks" and "the Loan of 1863," and authorized the issue of the bonds known as "the Fifty-Twenties of 1864," and also of "the Seven-Thirties of 1864," and "the Compound Interest Notes of 1864."]

AN ACT TO PROVIDE WAYS AND MEANS FOR THE SUPPORT OF THE GOVERNMENT, AND FOR OTHER PURPOSES.—Vol. XIII., p. 218, Stat. at Large.

SECTION 1. That the Secretary of the Treasury be, and he is hereby authorized to borrow from time to time, on the credit of the United States \$400,000,000, and to issue therefor coupon or registered bonds of the United States, redeemable at the pleasure of the Government, after any period not less than five nor more than thirty years, or, if deemed expedient, made payable at any period not more than forty years from date. And said bonds shall be of such denominations as the Secretary of the Treasury shall direct, not less than \$50, and bear an annual interest not exceeding 6 per cent., payable semi-annually in coin. And the Secretary of the Treasury may dispose of such bonds, or any part thereof, and of any bonds commonly known as Fifty-Twenties remaining unsold, in the United States, or if he shall find it expedient, in Europe, at any time, on such terms as he may deem most advisable, for lawful money of the United States, or, at his discretion, for Treasury Notes, Certificates of Indebtedness, or Certificates of Deposit issued under any act of Congress. And all bonds, Treasury Notes, and other obligations of the United States shall be exempt from taxation by or under State or municipal authority.

SEC. 2. That the Secretary of the Treasury may issue on the credit of the United States, and in lieu of an equal amount of bonds authorized by the preceding section, and as part of said loan, not exceeding \$200,000,000, in Treasury notes of any denomination not less than \$10, payable at any time not exceeding three years from date, or, if thought more expedient, redeemable at any time after three years from date, and bearing interest not exceeding the rate of 7 3-10 per cent., payable in lawful money at maturity, or, at the discretion of the Secretary, semi-annually. And the said Treasury notes may be disposed of by the Secretary of the Treasury, on the best terms that can be obtained for lawful money; and such of them as shall be made payable, principal and interest, at maturity, shall be a legal tender to the same extent as United States notes for their face value, excluding interest, and may be paid to any creditor of the United States at their face

value, excluding interest, or to any creditor willing to receive them at par, including interest; and any Treasury notes issued under the authority of this act may be made convertible, at the discretion of the Secretary of the Treasury, into any bonds issued under the authority of this act. And the Secretary of the Treasury may redeem and cause to be cancelled and destroyed any Treasury notes or United States notes heretofore issued under authority of previous acts of Congress, and substitute, in lieu thereof, an equal amount of Treasury notes, such as are authorized by this act, or of other United States notes: *Provided*, That the total amount of bonds and Treasury notes authorized by the first and second sections of this act shall not exceed \$400,000,000, in addition to the amounts heretofore issued; nor shall the total amount of United States notes, issued or to be issued, ever exceed \$400,000,000, and such additional sum, not exceeding \$50,000,000, as may be temporarily required for the redemption of temporary loan; nor shall any Treasury note bearing interest, issued under this act, be a legal tender in payment or redemption of any notes issued by any bank, banking association, or banker, calculated or intended to circulate as money.

SEC. 3. That the interest on all bonds heretofore issued, payable annually, may be paid semi-annually; and in lieu of such bonds authorized to be issued, the Secretary of the Treasury may issue bonds bearing interest, payable semi-annually. And he may also issue in exchange for Treasury notes heretofore issued bearing 7-8-10 per cent. interest, besides the 6 per cent. bonds heretofore authorized, like bonds of all the denominations in which such Treasury notes have been issued; and the interest on such Treasury notes after maturity shall be paid in lawful money, and they may be exchanged for such bonds at any time within three months from the date of notice of redemption by the Secretary of the Treasury, after which the interest on such Treasury notes shall cease. And so much of the law approved March 3, 1864, as limits the loan authorized therein to the current fiscal year, is hereby repealed; and the authority of the Secretary of the Treasury to borrow money and issue therefor bonds or notes, conferred by the first section of the act of March 3, 1863, entitled "An act to provide ways and means for the support of the Government," shall cease on and after the passage of this act, except so far as it may *effect* \$75,000,000 of bonds already advertised.

SEC. 4. That the Secretary of the Treasury may authorize the receipt, as a temporary loan, of United States notes or the notes of national banking associations on deposit for not less than thirty days, in sums of not less than \$50, by any of the Assistant Treasurers of the United States or depositaries designated for that purpose, other than national banking associations, who shall issue certificates of deposit in such form as the Secretary of the Treasury shall prescribe, bearing interest not exceeding six per cent. annually, and payable at any time after the term of deposit, and after ten days' subsequent notice, unless time and notice be waived by the Secretary of the Treasury; and the Secretary of the Treasury may increase the interest on deposits at less than 6 per cent. to that rate, or, on ten days' notice to depositors, may diminish the rate of interest as the public interest may require; but the aggregate of such deposits shall not exceed \$150,000,000, and the Secretary of the Treasury may issue, and shall hold in reserve for payment of such deposits, United States notes not exceeding \$50,000,000, including the amount already applied in such payment; and the United States notes so held in reserve shall be used only when needed, in his judgment, for the prompt payment of such deposits on demand, and shall be withdrawn and placed again in reserve as the amount of deposits shall again increase.

SEC. 5. That the Secretary of the Treasury may issue notes of the fractions of a dollar, as now used for currency, in such form, with such inscriptions and with such safeguards against counterfeiting as he may judge best, and provide for the engraving and preparation, and for the issue of the same, as well as of all other notes and bonds, and other obligations, and shall make such regulations for the redemption of said fractional notes and other notes when mutilated or defaced, and for the receipt of said frac-

tional notes in payment of debts to the United States, except for customs, in such sums, not over five dollars, as may appear to him expedient; and it is hereby declared that all laws and parts of laws applicable to the fractional notes engraved and issued as herein authorized, apply equally and with like force to all the fractional notes heretofore authorized, whether known as postage currency or otherwise, and to postage stamps issued as currency; but the whole amount of all descriptions of notes or stamps less than one dollar, issued as currency, shall not exceed fifty millions of dollars.

Sections 6 to 12 inclusive relate to the details of the printing and issuing of these bonds and notes and to the penalties for their counterfeiting.

SEC. 18. That the words "obligation or other security of the United States" used in this act, shall be held to include and mean all bonds, coupons, national currency, United States notes, Treasury notes, fractional notes, checks for money of authorized officers of the United States, certificates of indebtedness, certificates of deposit, stamps, and other representatives of value of whatever denomination, which have been or may be issued under any act of Congress.

THE ACT OF JULY 2, 1864.

[This Act amends the Pacific Railroad Act of 1862, and we give only the section relating to United States bonds.]

That section five of said act be so modified and amended that the Union Pacific Railroad Company, the Central Pacific Railroad Company, and any other company authorized to participate in the construction of said road, may, on the completion of each section of said road, as provided in this act, and the act to which this act is an amendment, issue their first mortgage bonds on their respective railroad and telegraph lines to an amount not exceeding the amount of the bonds of the United States, and of even tenor and date, time of maturity, rate and character of interest, with the bonds authorized to be issued to said railroad companies respectively. And the lien of the United States bonds shall be subordinate to that of the bonds of any or either of said companies hereby authorized to be issued on their respective roads, property and equipments, except as to the provisions of the sixth section of the act to which this act is an amendment, relating to the transmission of dispatches and the transportation of mails, troops, munitions of war, supplies and public stores for the Government of the United States.

THE ACT OF JANUARY 28, 1865.

[This act was merely supplementary to two which had preceded it, and authorized no new issues of Government paper.]

AN ACT TO AMEND AN ACT ENTITLED "AN ACT TO PROVIDE WAYS AND MEANS FOR THE SUPPORT OF THE GOVERNMENT, AND FOR OTHER PURPOSES," APPROVED JUNE THIRTIETH, EIGHTEEN HUNDRED AND SIXTY-FOUR.—Vol. XIII, p. 425, Stat. at Large.

SECTION 1. That in lieu of any bonds authorized to be issued by the first section of the act entitled "An act to provide ways and means for the support of the Government," approved June 30, 1864, that may remain unsold at the date of this act, the Secretary of the Treasury may issue under the authority of said act, Treasury notes of the description and character authorized by the second section of said act: *Provided*, That the whole

amount of bonds authorized as aforesaid, and Treasury notes issued and to be issued in lieu thereof, shall not exceed the sum of \$400,000,000; and such Treasury notes may be disposed of for lawful money, or for any other Treasury notes, or Certificates of Indebtedness, or Certificates of Deposit issued under any previous act of Congress; and such notes shall be exempt from taxation by or under State or municipal authority.

SEC. 2. That any bonds known as Five-Twenties, issued under the act of February 25, 1862, remaining unsold to an amount not exceeding \$4,000,000, may be disposed of by the Secretary of the Treasury in the United States; or, if he shall find it expedient, in Europe, at any time, on such terms as he may deem most advisable: *Provided*, That this act shall not be so construed as to give any authority for the issue of any legal tender notes, in any form, beyond the balance unissued of the amount authorized by the second section of the act to which this is an amendment.

THE ACT OF MARCH 3, 1865.

[Under this act were issued "the Seven-Thirties of 1865," and the various issues of bonds known as "the Five-Twenties of 1865" and "the Consols of 1865, 1867 and 1868."]

AN ACT TO PROVIDE WAYS AND MEANS TO SUPPORT THE GOVERNMENT.—Vol. XIII, p. 468, Stat. at Large.

SECTION 1. That the Secretary of the Treasury be, and he is hereby authorized to borrow, from time to time, on the credit of the United States, in addition to the amounts heretofore authorized, any sums not exceeding in the aggregate \$600,000,000, and to issue therefor bonds or Treasury notes of the United States, in such form as he may prescribe, and so much thereof as may be issued in bonds shall be of denominations not less than \$50, and may be made payable at any period not more than 40 years from date of issue, or may be made redeemable, at the pleasure of the Government, at or after any period not less than five years nor more than forty years from date, or may be made redeemable and payable as aforesaid, as may be expressed upon their face; and so much thereof as may be issued in Treasury notes may be made convertible into any bonds authorized by this act, and may be of such denominations—not less than \$50—and bear such dates and be made redeemable or payable at such periods as in the opinion of the Secretary of the Treasury may be deemed expedient. And the interest on such bonds shall be payable semi-annually; and on Treasury notes authorized by this act the interest may be made payable semi-annually, or annually, or at maturity thereof; and the principal, or interest, or both, may be made payable in coin, or in other lawful money: *Provided*, That the rate of interest on any such bonds or Treasury notes, when payable in coin, shall not exceed six per cent. per annum, and when not payable in coin, shall not exceed 7 3-10 per cent. per annum; and the rate and character of interest shall be expressed on all such bonds or Treasury notes: *And provided further*, That the act entitled "An act to provide ways and means for the support of the Government, and for other purposes," approved June 30, 1864, shall be so construed as to authorize the issue of bonds of any description authorized by this act. And any Treasury notes or other obligations bearing interest, issued under any act of Congress, may, at the discretion of the Secretary of the Treasury, and with the consent of the holder, be converted into any description of bonds authorized by this act; and no bonds so authorized shall be considered a part of the amount of \$600,000,000 hereinbefore authorized.

SEC. 2. That the Secretary of the Treasury may dispose of any of the bonds or other obligations issued under this act, either in the United

States or elsewhere, in such manner, and at such rates, and under such conditions, as he may think advisable, for coin, or for other lawful money of the United States, or for any Treasury notes, certificates of indebtedness, or certificates of deposit, or other representatives of value, which have been, or may be, issued under any act of Congress; and may, at his discretion, issue bonds or Treasury notes authorized by this act, in payment for any requisitions for materials or supplies which shall have been made by the appropriate department or offices upon the Treasury of the United States, on receiving notice in writing, through the department or office making the requisition, that the owner of the claim for which the requisition is issued desires to subscribe for an amount of loan that will cover said requisition, or any part thereof; and all bonds or other obligations issued under this act shall be exempt from taxation by or under State or municipal authority.

Sec. 3. That all the provisions of the act entitled, "An act to provide ways and means for the support of the Government, and for other purposes," approved June 30, 1864, in relation to forms, inscriptions, devices, and the printing, attestation, sealing, signing, and counterfeiting thereof, with such others as are applicable, shall apply to the bonds and other obligations issued under this act: *Provided*, That nothing herein contained shall be construed as authorizing the issue of legal tender notes in any form; and a sum, not exceeding one per centum of the amount of bonds and other obligations issued under this act, is hereby appropriated to pay the expense of preparing and issuing the same, and disposing thereof.

THE ACT OF APRIL 12, 1866.

[This act authorized the funding of the short-lived issues of the Government paper into long-term bonds, and the contraction of the "Greenbacks" at the rate of \$10,000,000 in the coming six months, and of not more than \$4,000,000 per month after that.]

AN ACT TO AMEND AN ACT ENTITLED "AN ACT TO PROVIDE WAYS AND MEANS TO SUPPORT THE GOVERNMENT," APPROVED MARCH 3, 1865.—Vol. XIV., p. 31, Stat. at Large.

SECTION 1. That the act entitled, "An act to provide ways and means to support the government," approved March 3, 1865, shall be extended and construed to authorize the Secretary of the Treasury, at his discretion, to receive any Treasury notes or other obligations issued under any act of Congress, whether bearing interest or not, in exchange for any description of bonds authorized by the act to which this is an amendment; and also to dispose of any description of bonds authorized by said act, either in the United States or elsewhere, to such an amount, in such manner, and at such rates as he may think advisable, for lawful money of the United States, or for any Treasury notes, certificates of indebtedness, or certificates of deposit, or other representatives of value, which have been, or which may be, issued under any act of Congress, the proceeds thereof to be used only for retiring Treasury notes or other obligations issued under any act of Congress; but nothing herein contained shall be construed to authorize any increase of the public debt: *Provided*, That of United States notes not more than \$10,000,000 may be retired and cancelled within six months from the passage of this act, and thereafter not more than \$4,000,000 in any one month: *And provided further*, That the act to which this is an amendment shall continue in full force in all its provisions, except as modified by this act.

Sec. 2 required a report to Congress of operations under this act.

THE ACT OF MARCH 2, 1867.

[This act authorized the issue of the "Three per cent. Certificates" to retire the "Compound Interest Notes."]

AN ACT TO PROVIDE WAYS AND MEANS FOR THE PAYMENT OF COMPOUND INTEREST NOTES.—Vol. XIV., p. 558, Stat. at Large.

SECTION 1. That for the purpose of redeeming and retiring any compound interest notes outstanding, the Secretary of the Treasury is hereby authorized and directed to issue temporary loan certificates in the manner prescribed by section 4 of the act entitled "An act to authorize the issue of United States notes and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862, bearing interest at a rate not exceeding three per centum per annum, principal and interest payable in lawful money on demand; and said certificates of temporary loan may constitute and be held by any national bank holding or owning the same, as a part of the reserve provided for in sections 31 and 32 of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864: *Provided*, That not less than two-fifths of the entire reserve of such bank shall consist of lawful money of the United States; *And provided further*, That the amount of such temporary certificates at any time outstanding shall not exceed \$50,000,000.

THE ACT OF FEBRUARY 4, 1868.

[This act stopped the contraction of the "Greenbacks" by Secretary McCulloch.

AN ACT TO SUSPEND FURTHER REDUCTION OF THE CURRENCY. Vol XV. p. 34, Stat. at Large.

SECTION 1. That, from and after the passage of this act, the authority of the Secretary of the Treasury to make any reduction of the currency, by retiring or cancelling United States notes, shall be, and is hereby, suspended; but nothing herein contained shall prevent the cancellation and destruction of mutilated United States notes, and the placing of the same with notes of the same character and amount.

SCHUYLER COLFAX,

Speaker of the House of Representatives.

B. F. WADE,

President of the Senate *pro tempore*.

Indorsed by the President: Received January 23, 1868."

[NOTE OF THE DEPARTMENT OF STATE.—The foregoing act having been presented to the President of the United States for his approval, and not having been returned by him to the House of Congress in which it originated within the time prescribed by the Constitution of the United States has become a law without his approval.

THE ACT OF JULY 25, 1868.

[This act continued the temporary issue of Government paper known as the "Three per cent. Certificates," which were used to retire the "Compound Interest Notes."]

AN ACT TO PROVIDE FOR A FURTHER ISSUE OF TEMPORARY LOAN CERTIFICATES, FOR THE PURPOSE OF REDEEMING AND RETIRING THE REMAINDER OF THE OUTSTANDING COMPOUND INTEREST NOTES.—Vol. XV. p. 183, Stat. at Large.

SECTION 1 That for the sole purpose of redeeming and retiring the remainder of the compound interest notes outstanding, the Secretary of the

Treasury is hereby authorized and directed to issue an additional amount of temporary loan certificates, not exceeding \$25,000,000; said certificates to bear interest at the rate of 3 per cent. per annum, principal and interest payable in lawful money on demand, and to be similar in all respects to the certificates authorized by the act entitled "An act to provide ways and means for the payment of compound interest notes," approved March 2, 1867; and the said certificates may constitute and be held by any national bank holding or owing the same as a part of the reserve, in accordance with the provisions of the above mentioned act of March 2d, 1867.

THE ACT OF MARCH 18, 1869.

[This is the familiar statute popularly known as the public credit act.]

AN ACT TO STRENGTHEN THE PUBLIC CREDIT.—Vol. XVI., p. 1, Stat. at Large.

SECTION 1. That in order to remove any doubt as to the purpose of the government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as the United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of such obligations has expressly provided that the same may be paid in lawful money, or in other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provisions at the earliest possible period for the redemption of the United States notes in coin.

THE ACT OF JULY 12, 1870.

[This act merely authorized the issue of \$54,000,000 of National bank circulation in addition to the \$300,000,000 originally authorized, and provided for the retirement of "Three per cent. Certificates" as rapidly as such issue was made. It can be found in full on page 251, Vol. XVI, Stat. at Large.]

THE ACT OF JULY 14, 1870.

[This is the well known "Refunding Act" under which bonds of a lower rate of interest than six per cent. have been substituted for those bearing interest at that rate.]

AN ACT TO AUTHORIZE THE REFUNDING OF THE NATIONAL DEBT.—Vol. XVI, p. 272, Stat. at Large.

SECTION 1. That the Secretary of the Treasury is hereby authorized to issue, in a sum or sums not exceeding in the aggregate \$200,000,000, coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of \$50, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after 10 years from the date of their issue, and bearing interest, payable semi-annually in such coin, at the rate of five per cent. per annum; also a

sum or sums not exceeding in the aggregate \$300,000,000 of like bonds, the same in all respects, but payable at the pleasure of the United States, after 15 years from the date of their issue, and bearing interest at the rate of four and a half per cent. per annum; also a sum or sums not exceeding in the aggregate \$1,000,000,000 of like bonds, the same in all respects, but payable at the pleasure of the United States, after 30 years from the date of their issue, and bearing interest at the rate of four per cent. per annum; all of which said several classes of bonds and the interest thereon shall be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above specified conditions, and shall, with their coupons, be made payable at the Treasury of the United States. But nothing in this act, or in any other law now in force, shall be construed to authorize any increase whatever of the bonded debt of the United States.

Sec. 2. That the Secretary of the Treasury is hereby authorized to sell and dispose of any of the bonds issued under this act, at not less than their par value for coin, and to apply the proceeds thereof to the redemption of any of the bonds of the United States outstanding, and known as the five-twenty bonds, at their par value, or he may exchange the same for such five-twenty bonds, par for par; but the bonds hereby authorized shall be used for no other purpose whatsoever. And a sum not exceeding one-half of one per cent. of the bonds herein authorized is hereby appropriated to pay the expense of preparing, issuing, advertising, and disposing of the same.

Sec. 3. That the payment of any of the bonds hereby authorized after the expiration of the said several terms of 10, 15 and 30 years, shall be made in amounts to be determined from time to time by the Secretary of the Treasury, at his discretion, the bonds so to be paid to be distinguished and described by the dates and numbers, beginning for each successive payment with the bonds of each class last dated and numbered, of the time of which intended payment or redemption of the Secretary of the Treasury shall give public notice, and the interest on the particular bonds so selected at any time to be paid, shall cease at the expiration of three months from the date of such notice.

Sec. 4. That the Secretary of the Treasury is hereby authorized, with any coin of the Treasury of the United States which he may lawfully apply to such purpose, or which may be derived from the sale of any of the bonds the issue of which is provided for in this act, to pay at par and cancel any six per cent. bonds of the United States of the kind known as 5-20 bonds, which have become, or shall hereafter become, redeemable by the terms of their issue. But the particular bonds so to be paid and cancelled shall, in all cases, be indicated and specified by class, date, and number, in the order of their numbers and issue, beginning with the first numbered and issued, in public notice to be given by the Secretary of the Treasury, and in three months after the date of such public notice the interest on the bonds so selected and advertised to be paid shall cease.

Sec. 5. That the Secretary of the Treasury is hereby authorized, at any time within two years from the passage of this act, to receive gold coin of the United States on deposit, for not less than 30 days, in sums of not less than \$100, with the Treasurer or any Assistant Treasurer of the United States authorized by the Secretary of the Treasury to receive the same, who shall issue therefor certificates of deposit, made in such form as the Secretary of the Treasury shall prescribe, and said certificates of deposit shall bear interest at a rate not exceeding two and a half per cent. per annum; and any amount of gold coin so deposited may be withdrawn from deposit at any time after 30 days from the date of deposit, and after ten days notice, and on the return of said certificates. *Provided*, That the interest on all such deposits shall cease and determine at the pleasure of the Secretary of the Treasury. And not less than 25 per cent. of the coin deposited for or represented by said certificates of deposit shall be retained in the Treasury for the payment of said certificates; and the excess beyond 25 per cent.

may be applied, at the discretion of the Secretary of the Treasury, to the payment or redemption of such outstanding bonds of the United States, heretofore issued, and known as the 5-20 bonds, as he may designate under the provisions of the fourth section of this act; and any certificates of deposit issued as aforesaid may be received at par, with the interest accrued thereon, in payment for any bonds authorized to be issued by this act.

Sec. 6. That the United States bonds purchased and now held in the Treasury, in accordance with the provisions relating to a sinking fund, of section 5 of the act entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862, and all other United States bonds which have been purchased by the Secretary of the Treasury, with surplus funds in the Treasury and now held in the Treasury of the United States, shall be cancelled and destroyed, a detailed record of such bonds so cancelled and destroyed to be first made in the books of the Treasury Department. Any bonds hereafter applied to said sinking fund, and all other United States bonds redeemed or paid hereafter by the United States, shall also in like manner be recorded, cancelled, and destroyed, and the amount of the bonds of each class that have been cancelled and destroyed shall be deducted respectively from the amount of each class of the outstanding debt of the United States. In addition to other amounts that may be applied to the redemption or payment of the public debt, an amount equal to the interest on all bonds belonging to the aforesaid sinking fund shall be applied, as the Secretary of the Treasury shall, from time to time direct, to the payment of the public debt as provided for in section five of the act aforesaid. And the amount so to be applied is hereby appropriated annually for that purpose, out of the receipts for duties on imported goods.

THE ACT OF JANUARY 20, 1871.

[This act is merely supplementary to the Refunding act, just given.]

AN ACT TO AMEND AN ACT ENTITLED "AN ACT TO AUTHORIZE THE REFUNDING OF THE NATIONAL DEBT."—Vol. XVI., p. 399, Stat. at Large.

SECTION 1. That the amount of bonds authorized by the act approved July 14, 1870, entitled "An act to authorize the refunding of the national debt," to be issued bearing 5 per cent. interest per annum, be, and the same is, increased to \$500,000,000, and the interest of any portion of the bonds issued under said act, or this act may, at the discretion of the Secretary of the Treasury, be made payable quarterly; *Provided, however,* that this act shall not be construed to authorize any increase of the total amount of bonds provided for by the act to which this act is an amendment.

THE ACT OF JUNE 8, 1872.

[This act is the one which authorized the issues called "Certificates of Deposit."]

AN ACT FOR THE BETTER SECURITY OF BANK RESERVES, AND TO FACILITATE BANK CLEARING-HOUSE EXCHANGES.—Vol. XVII., p. 336, Stat. at Large.

SECTION 1. That the Secretary of the Treasury is hereby authorized to receive United States notes on deposit, without interest, from national banking associations, in sums not less than \$10,000, and to issue certificates therefor, in such form as the Secretary may prescribe, in denominations of not less than \$5,000; which certificate shall be payable on demand in United States notes, at the place where the deposits were made.

SEC. 2. That the United States notes so deposited in the Treasury of the United States shall not be counted as part of the legal reserve, but the certificates issued therefor may be held and counted by national banks as part of their legal reserve, and may be accepted in the settlement of clearing-house balances at the places where the deposits therefor were made.

SEC. 3. That nothing contained in this act shall be construed to authorize any expansion or contraction of the currency; and the United States notes for which such certificates are issued, or other United States notes of like amount, shall be held as special deposits in the Treasury and used only for the redemption of such certificates.

THE ACT OF DECEMBER 17, 1878.

[This act merely provided for the payment in full of the bonds known as "The Loan of 1868," and for the issue of an equal amount of the five per cent. bonds provided for by the Refunding act. It will be found in Volume XVIII., page 1, Statutes at Large.]

THE ACT OF JANUARY 14, 1875.

[This is the familiar "Resumption Act."]

AN ACT TO PROVIDE FOR THE RESUMPTION OF SPECIE PAYMENTS.—Vol. XVIII., p. 296, Stat. at Large.

SECTION 1. That the Secretary of the Treasury is hereby authorized and required, as rapidly as practicable, to cause to be coined, at the mints of the United States, silver coins of the denominations of 10c, 25c and 50c of standard value, and to issue them in redemption of an equal number and amount of fractional currency of similar denominations, or, at his discretion, he may issue such silver coins through the mints, the sub-treasuries, public depositaries, and postoffices of the United States; and, upon such issue, he is hereby authorized and required to redeem an equal amount of such fractional currency, until the whole amount of such fractional currency outstanding shall be redeemed.

SEC. 2. That so much of section 3,524 of the Revised Statutes of the United States as provides for a charge of 1-5 of 1 per cent. for converting standard gold bullion into coin is hereby repealed, and hereafter no charge shall be made for that service.

SEC. 3. That section 5,177 of the Revised Statutes of the United States, limiting the aggregate amount of circulating notes of national banking associations, be and is hereby repealed; and each banking association may increase its circulating notes in accordance with existing law, without respect to said aggregate limit; and new banking associations may be organized in accordance with existing law, without respect to said aggregate limit; and the provisions of law for the withdrawal and redistribution of national bank currency among the several States and Territories are hereby repealed. And whenever, and so often, as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal tender United States notes in excess only of \$300,000,000, to the amount of 80 per cent. of the sum of national bank notes so issued to any such banking association as aforesaid, and to continue such redemption as such circulating notes are issued until there shall be outstanding the sum of \$300,000,000 of such legal tender United States notes and no more. And on and after the 1st day of Janu-

ary, 1879, the Secretary of the Treasury shall redeem in coin the United States legal tender notes then outstanding on their presentation for redemption at the office of the Assistant Treasurer of the United States in the city of New York, in sums of not less than \$50. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required, he is authorized to use any surplus revenues, from time to time in the Treasury, not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, in coin, either of the descriptions of bonds of the United States described in the act of Congress approved July 14, 1870, entitled "An act to authorize the refunding of the national debt," with like qualities, privileges, and exemptions, to the extent necessary to carry this act into full effect, and to use the proceeds thereof for the purposes aforesaid. And all provisions of law inconsistent with the provisions of this act are hereby repealed.

THE RESOLUTION OF JULY 22, 1876.

[This related to the substitution of Silver Coin for Fractional Currency, etc. It can be found in Vol. XIX, p. 215, Stat. at Large.]

SECTION 1. That the Secretary of the Treasury, under such limits and regulations as will best secure a just and fair distribution of the same throughout the country, may issue the silver coin at any time in the Treasury, to an amount not exceeding \$10,000,000, in exchange for an equal amount of legal tender notes, and notes so received in exchange shall be kept as a special fund, separate and apart from all other money in the Treasury, and be issued only upon the retirement and destruction of a like sum of fractional currency received at the Treasury in payment of dues to the United States, and said fractional currency, when so substituted, shall be destroyed and held as part of the sinking fund, as provided in the act approved April 17, 1876.

SEC. 2. That the trade dollar shall not hereafter be a legal tender, and the Secretary of the Treasury is hereby authorized to limit, from time to time, the coinage thereof to such an amount as he may deem sufficient to meet the export demand for the same.

SEC. 3. That in addition to the amount of subsidiary silver coin authorized by law to be issued in redemption of the fractional currency, it shall be lawful to manufacture at the several mints, and issue through the Treasury and its several offices, such coin to an amount that, including the amount of subsidiary silver coin and of fractional currency outstanding, shall in the aggregate not exceed at any time \$50,000,000.

SEC. 4. That the silver bullion required for the purposes of this act, shall be purchased, from time to time, at the market rate by the Secretary of the Treasury with any money in the Treasury not otherwise appropriated, but no purchase of bullion be shall made under this resolution when the market rate for the same shall be such as will not admit of the coinage and issue as herein provided without loss to the Treasury and any gain or seigniorage arising from this coinage shall be accounted for and paid into the Treasury as provided under existing laws relative to subsidiary coinage, provided that the amount of money at any time invested in such silver bullion, exclusive of such resulting coin, shall not exceed \$200,000.

THE ACT OF FEBRUARY 28, 1878.

[This is the well-known bill remonetizing "the Silver Dollar;" of its official title and its place in the volume of the Statutes at Large for 1878 (yet to be published) we have no record.]

SECTION 1. That there shall be coined at the several mints of the United States, silver dollars of the weight of $412\frac{1}{2}$ grains Troy, of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act, which coins, together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender at their nominal value for all debts and dues, public and private, except where otherwise expressly stipulated in the contract; and the Secretary of the Treasury is authorized and directed to purchase, from time to time, silver bullion at the market price thereof, not less than \$2,000,000 worth per month, nor more than \$4,000,000 worth per month, and cause the same to be coined monthly as fast as so purchased into such dollars, and a sum sufficient to carry out the foregoing provision of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated, and any gain or seigniorage arising from this coinage shall be accounted for and paid into the Treasury as provided under the existing laws relative to the subsidiary coinage: *Provided*, That the amount of money at any one time invested in stock and silver bullion, exclusive of such resulting coin, shall not exceed \$5,000,000: *And provided further*, That nothing in this act shall be construed to authorize the payment, in silver, of certificates of deposit issued under the provision of section 254 of the Revised Statutes.

SEC. 2. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

SEC. 3. That immediately after the passage of this act, the President shall invite the Governments of the countries composing the Latin Union, so called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver for the purpose of establishing internationally the use of a bi-metallic money, and securing the fixity of the relative value between those metals, such conference to be held at such place in Europe or in the United States, at such a time, within six months, as may be mutually agreed upon by the executives of the Governments joining in the same. Whenever the Governments so invited, or any three of them, shall have signified their willingness to unite in the same, the President shall, by and with the advice and consent of the Senate, appoint three commissioners, who shall attend such conference on behalf of the United States, and shall report the doings thereof to the President, who shall transmit the same to Congress. Said commissioners shall receive the sum of \$2,500 and their reasonable expenses, to be approved by the Secretary of State, and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 4. That any holder of the coin authorized by this act may deposit the same with the Treasurer, or any Assistant Treasurer of the United States, in sums not less than \$10, and receive therefor certificates of not less than \$10, each corresponding with the denominations of United States notes. The coin deposited for, or representing the certificates, shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes and all public dues, and when so received, may be reissued.

THE ACT OF JUNE —, 1878.

[This act is the one which fixed the volume of the "Greenbacks" at \$346,681,016, and forbade their further contraction. Of the date of its approval, its full title, and its place in the forthcoming volume of the Statutes at Large we have no record.]

SECTION 1. That from and after the passage of this act it shall not be lawful for the Secretary of the Treasury, or any officer under him, to cancel



or retire any more of the United States legal tender notes, and when any of said notes may be redeemed or be received into the Treasury under any law, from any source whatever, and shall belong to the United States, they shall not be retired, cancelled, or destroyed, but they shall be reissued and paid out again and kept in circulation. *Provided* that nothing herein shall prohibit the cancellation and destruction of mutilated notes and the issue of other notes of like denomination in their stead as now provided by law. All acts and parts of acts in conflict herewith are hereby repealed.

WFOU

"HOW PAPER MONEY CHEATS FARMERS."

Extract from Prof. Perry's Address at Omaha, October 1st, 1874.

Why worse for farmers. An inconvertible paper money, always depreciated and always variable is worse for farmers than for almost anybody else; first, on the ground of its depreciation; and second, on the ground of its variability. As the value of money goes down, of course general prices tend to rise; but, unfortunately, they do not rise equally, nor in equal times; and some prices do not rise at all. For example, manufactured goods are quickest to experience a rise of price owing to a depreciation of the currency, because as a rule, manufacturers are intelligent men, and know the tendency of depreciated money to depreciate more, and thus hasten to insure themselves by putting a higher price on their goods. Wages rise much more slowly than goods, and never proportionably, because laborers do not well understand the situation, and never act quickly enough to ensure themselves; and so they are always great sufferers from a depreciated money. Real estate rises slowly and irregularly, though at times tumultuously, under such money, and never on the average so high as manufactured goods rise; while agricultural products, some parts of which are exported to foreign countries, scarcely rise in price at all. The reason for this is, that the foreign gold price of that part which is exported largely determines the home price of the whole crop. There is only one wholesale price of wheat, of the same grade in New York City, whether it is for export or whether it is for home consumption. The gold price in Liverpool determines the currency price in New York, just so long as any wheat is exported; and the price in New York determines the price in Chicago and Omaha. If the premium on gold, in consequence of the use of a depreciated currency, were as high as the average rise of prices, arising from that depreciation, it would not be so unjust; but it never is. Gold is generally the cheapest thing a-going so soon as an inferior currency has demonetized it and thrown it out of demand; and the whole consequence to the farmers of the use of such a poor money is, that they have to pay a great deal more for all that they need to buy, and only get a very little more or nothing at all for all that they have to sell. Wheat was no higher in currency in 1873 than it was in gold in 1860; hams were not; lard was not; and salt pork was not. These are all exportable agricultural products whose current price is determined by the gold money of the world's great market. These things

are what farmers sell. But harnesses, boots and shoes, hats and caps, blankets, all manner of clothing, were much higher in 1873 than they were in 1860. These manufactures are what the farmers have to buy.

The injustice of it. The mischief of paper money is, that it affects different classes differently, and the largest class the most injuriously of all. It raises some prices much, other prices little, and still other prices not at all. Some prices are raised quickly and pretty regularly, and other prices are raised slowly and irregularly; so that the shrewd ones always take advantage of the ignorant ones, and the dishonest ones of the honest ones. The whole trick of the thing is a trick of distribution. Some men may get rich out of it, but this is always at the expense of other men. All classes of the people are ultimately great losers in wealth and reputation, from the destruction of the stable measure of value—from disturbing the meaning of the word dollar. A huge crop of defaulters and of failures and of bursted speculations and of ruined reputations are always the harvest of that sowing. But farmers always have been and always will be the greatest losers from rag-money; partly for the reason that I have just given—namely, that what they have to buy is enhanced in price by it, while what they have to sell is not enhanced in price by it; and partly also, because it takes the farmer almost a year to realize on his crops, and he cannot meanwhile insure himself against the inevitable changes in the currency. The dollar in which he calculates the expenses of his crop is almost sure not to be the dollar in which he realises the results of his crops. He cannot calculate. He cannot insure himself. He is helpless. The manufacturer who turns off his product weekly or monthly, can vary his prices weekly or monthly, and save himself, at least in part; but the farmer, poor man, can do no such thing. He is at the mercy of currency-tinkers. Because all our paper money is only a promise-to-pay, and an unfulfilled promise at that; because it is depreciated far below the solid money of the world's market; because it is variable in value from day to day and from year to year, unsettling the measure of all other values; because such money always stimulates speculation, and hampers productive industry; because it corrupts public morals, undermines honesty, and makes defaulters, by destroying the stable standard of value; because it unjustly distributes the rewards of industry, and cheats by wholesale the whole farming interests; and because such money has always been followed by these results, wheresoever the experiment has been tried; I do hereby invite all farmers, East and West, all grangers, North and South, and all other true men, to unite with me in raising a cry that shall pierce the dulled ears of our rulers—*An Honest Cry for an Honest Dollar.*

PAPER MONEY.

Opinions of Eminent Men Opposed to an Irredeemable Currency.

"If there be, in regard to currency, one truth which the united experience of the whole commercial world has established, I had supposed it to be that emissions of paper money constitute the very worst of all conceivable species of currency."—HENRY CLAY.

"Some other States are, in my opinion, falling into the very foolish and wicked plans of emitting paper money. I cannot give up my hopes, however, that we shall ere long adopt a more just and liberal system of policy."—GEORGE WASHINGTON.

"I cannot but lament in my inmost soul that lust for paper money which appears in some parts of the United States. There will never be any uniform rule, if there is any sense of justice, nor any clear credit, public or private, nor any settled confidence in public men or measures, until paper money is done away."—JOHN ADAMS.

"There never was, nor ever could be use for any other kind, (than redeemable currency,) except for speculators and gamblers in stocks; and this to the utter ruin of the labor and morals of the country. A specie currency gives life and action to the producing classes, on which the prosperity of all is founded."—ANDREW JACKSON.

"I will pay cash or pay nothing. While I live I will never resort to irredeemable paper."—NAPOLEON BONAPARTE.

"The way to resume is to resume."—HORACE GREELEY.

"Preparation to resume specie payment is, in my opinion, the first great duty of the government."—OLIVER P. MORTON.

"I am not content with the long postponement of specie payments; I believe the time has come for this blessing, and I begin to be impatient when I see how easily people find excuses for not accepting it."—CHARLES SUMNER.

"Capital may be produced by industry, and accumulated by economy; but jugglers only will propose to create it by legerdmain tricks with paper."—THOMAS JEFFERSON.

"The evils of a redundant paper circulation are now manifest to every eye. It alternately raises and sinks the value of every man's property. It makes a beggar of the man to-morrow who is indulging in dreams of wealth to-day. It converts the business of society into a mere lottery; while those who distribute the prizes are wholly irresponsible to the people. When the collapse comes, as come it must, it casts laborers out of employment, crushes manufacturers and merchants, and ruins thousands of honest and industrious citizens."—JAMES BUCHANAN, *Debates in Congress*, volume 14, part 1, 1837, page 56.

"We advise any man who wants to cheat himself into the belief that the funded debt of the United States may lawfully be paid in greenbacks, not to read this handy volume, (*Spaulding's Financial History of the War*), unless he is anxious to know that he is a rascal, and that every one sees it."—HORACE GREELEY, 1869.

"Among the evils growing out of the rebellion, is that of an irredeemable currency. It is an evil which I hope will receive your most earnest attention. It is the duty, and one of the highest duties, of the government, to secure to its citizens a medium of exchange of fixed and unvarying value. This implies a return to specie payment, and no substitute for it can be devised."—U. S. GRANT, *First Annual Message*.

"The history of the irredeemable paper currency repeats itself whenever and wherever it is used. It increases present prices, deludes the laborer with the idea that he is getting higher wages, and brings a fictitious prosperity from which follow inflation of business and credit and excess of enterprise in ever increasing ratio, until it is discovered that trade and commerce have become fatally diseased, when confidence is destroyed, and then comes the shock to credit, followed by disaster and depression, and a demand for relief by further issues. The universal use of, and reliance upon, such a currency tends to blunt the moral sense and impair the natural self-dependence of the people, and trains them to the belief that the Government must directly assist their individual fortunes and business, help them in their personal affairs, and enable them to discharge their debts by partial payment. This inconvertible paper currency begets the delusion that the remedy for private pecuniary distress is in legislative measures, and makes the people unmindful of the fact that the true remedy is in greater production and less spending, and that real prosperity comes only from individual effort and thrift. When exchanges are again made in coin, or in a currency convertible into it at the will of the holder, this truth will be understood and acted upon."—B. H. BRISTOW, *Secretary U. S. Treasury*.

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